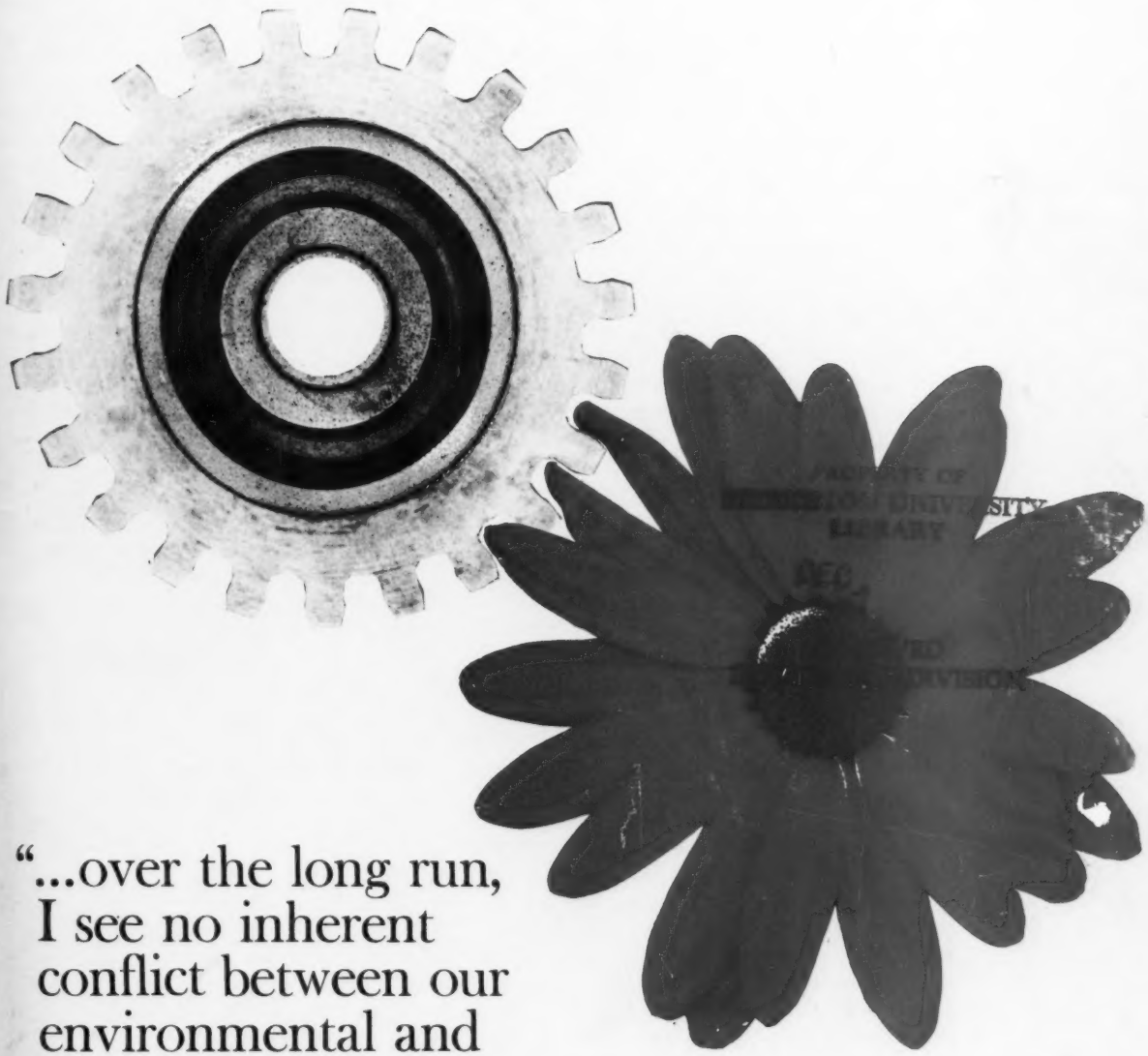
Commerce Today

NOVEMBER 24, 1975



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"...over the long run, I see no inherent conflict between our environmental and economic goals."

Russell E. Train, Administrator
U.S. Environmental Protection Agency

FROM THE SECRETARY

Controlling U.S. Ocean Resources

It was the poet Byron who expressed not just the prevailing view of his time but what has almost always been our concept of the ocean when he wrote: "Roll on, thou deep and dark blue ocean—roll! Ten thousand fleets sweep over thee in vain; Man marks the earth with ruin—his control stops with the shore."

For countless centuries the ocean—the cradle of life—seemed beyond human control. It was governed only by its moods, which ranged from serenity to savage storms. Seamen merely coped with such caprice as best they could.

Now we are finding, though, that we must begin to exercise control over our ocean resources not only to end the litany of abuses—the marks of ruin—to which they have been subjected, but also to alleviate our energy and food shortages, help solve our mineral resource problems, and provide more recreational opportunities for a growing population. We know that we must proceed in this direction carefully and wisely so that environmental programs and development projects do not dead end in conflict.

As Jacques-Yves Cousteau points out, "It is a shocking paradox that at the precise moment in history when man is arriving at an understanding of the sea that he should also have to face the question: if the oceans should die." The question is prompted by the sight of globs of oil on the open sea; by the depletion through overfishing or mismanagement of marine species, snapping subtle food chains upon which other species depend; by fish kills from a bewildering array of contaminants; by the despoiling of the wetlands, the nurseries of marine life.

If recognizing a problem is the first step toward solving it, then that step has been taken. The list of comprehensive and far-reaching statutory provisions for protecting and enhancing our ocean resources has grown in a comparatively short time. It includes: the Federal Water Pollution Control Act amendments of 1972; the Coastal Zone Management Act of 1972; the Marine Mammal Protection Act of 1972; the Endangered Species Act of 1973; the Marine Protection, Research and Sanctuaries Act of 1972; and the Deepwater Port Act of 1974.

Two of these legislative mandates represent major programs of Commerce's National Oceanic and Atmospheric Administration. NOAA administers the Coastal Zone Management Program *(see page 11)* to preserve and protect, develop and restore the nation's coastal resources, and the Marine Mammal Protection Act with respect to whales, porpoises, seals, and sea lions. NOAA, of course, is involved in a wide range of oceanic activities on a global scale. Its involvement has made me acutely aware of how human activity affects our oceans, for good or evil.

What the new legislative initiatives, both in place and proposed, have given us is a new ocean agenda for the United States. The Congress is close to establishing a 200-mile fisheries zone, indicative of the need for a unified management approach to our fisheries resources. The ocean agenda is drawn up in such a way that consideration is given to the ecological as well as technological ramifications of tapping the Outer Continental Shelf for oil or extracting copper, nickel, cobalt and manganese resources from the nodules of the deep seabed.

Our ocean agenda is written to complement international efforts to conserve and develop ocean resources under the aegis of the United Nations Law of the Sea Conference. We have already achieved an agreement within the International Whaling Commission for new management procedures that will never again allow any species of the great whale to be overharvested or endangered. That, in itself, is an achievement of considerable magnitude.

The concept of our ocean agenda is, in a way, an acknowledgement that the oceans are part of the fabric of nature that cannot endure every stress. The seas are not so huge and vast as to be capable of absorbing every shock. When a part of the fabric of nature is torn, it is as if we tear at ourselves.

Our control no longer stops with the shore. Neither do our responsibilities.

Rogers C.B. Morton

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COVER: *Coexistence of a strong economy and a clean environment are within the realm of possibility, President Ford has pointed out, as does Russell E. Train, Administrator of the Environmental Protection Agency, in the article written expressly for* Commerce Today *which begins on page 8.*

U.S. DEPARTMENT OF COMMERCE

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Published biweekly by the U.S. Department of Commerce, Washington, D.C. Annual subscription rate $29.80 ($7.45 additional for foreign mailing, $5.75 additional for domestic air mailing). Single copy $1.15. Make checks or money orders payable to Superintendent of Documents and mail to Superintendent, U.S. Government Printing Office, Washington, D.C. 20402, or to any U.S. Department of Commerce District Office.

All subscription inquiries and address changes should be sent to the Superintendent of Documents, at the above address. This is the central distribution agency for U.S. Government publications.

Microfiche copy available at $1.45 per issue from National Technical Information Service, Springfield, Virginia, 22151. Other inquiries should be sent to the U.S. Department of Commerce, 14th Street and Constitution Avenue, Washington, D.C. 20230.

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Autos Rebound Sharply From 1974 Slump, Provide Strong Stimulus During Recovery

Economic Highlights is prepared by James L. Pate, Assistant Secretary of Commerce for Economic Affairs.

During the 1975 model year, domestic manufacturers produced only about 6.5 million automobiles, the fewest in more than a decade. At one point sales fell to an annual rate of only 5.5 million units. Now auto sales have returned to an annual rate of 9½ million, providing a significant impetus for the current economic recovery.

Recent reports of huge percentage increases may be misleading, however, because current sales are compared with the extremely depressed levels of late 1974.

A confluence of factors was responsible for the slump in auto sales in the fall of 1974, and some of those factors had been building for months. Consumers, already demoralized by the general economic and political situation, strongly resisted the sharply higher price tags on the 1975 models and the prospect of increased fuel costs.

The large increase in prices of the 1975 models resulted from a lifting of price controls that caused an increase in manufacturing costs and requirements for expensive new safety and anti-pollution equipment. Some of this new equipment also reduced gasoline mileage and performance. The price of gasoline was almost double the level of a year earlier because of the actions of the OPEC cartel; furthermore, the new models required non-leaded gasoline. Many discouraged consumers simply would not purchase new cars that carried higher price tags and the prospect of higher operating costs.

Because of announced price increases on 1975 models and uncertainty over the effect of anti-pollution equipment on performance, many buyers purchased 1974 models, "borrowing" against sales of 1975 models. Manufacturers were unable to estimate what proportion of 1974 model sales were made with these anticipations, which led to the production of automobiles greatly in excess of sales. Inventories accumulated, rising from 1,385,000 at the end of September 1974 to 1,732,000 two months later. By December average sales decreased to 17,000 units a day, and the inventory on hand was sufficient to sustain sales for 97 days. Production was sharply curtailed until these inventories could be worked down to a more normal level. The index of industrial production of autos decreased 40 percent from October 1974 to February 1975.

New car buyers responded to changing conditions by purchasing lighter cars that are more energy efficient. Foreign-produced autos generally were available and met this requirement. While sales of foreign nameplates fell from an annual average of 1.8 million units in 1973 to 1.1 million in December 1974, they made a quick recovery in early 1975. The market share of imports rose to 20 percent compared with about 14 or 15 percent in recent years. The sharp increase in the market share of imported cars was partly the result of the substantial decline in domestic car sales as compared with the previous year. Chart 5 shows that production of domestically-produced compacts and subcompacts, the models most competitive with imported cars, decreased from a monthly rate of 320,000 in May 1974 to a low of 160,000 in December of that year. The production of these units rebounded shortly thereafter while the production of intermediate and full-sized cars did not achieve the same proportional recovery.

Domestic manufacturers have vigorously responded to these new market conditions. While eight new nameplates were added in the 1975 model year, few models showed extensive changes. Beginning with the 1976 models, marked alterations of existing production models have been undertaken. Since energy efficiency is closely related to weight, engineering effort has been directed toward reducing weight, by substituting lighter materials in auto assemblies or through other changes. In some cases, auto engineers have gone so far as to reduce the size of the gas tank.

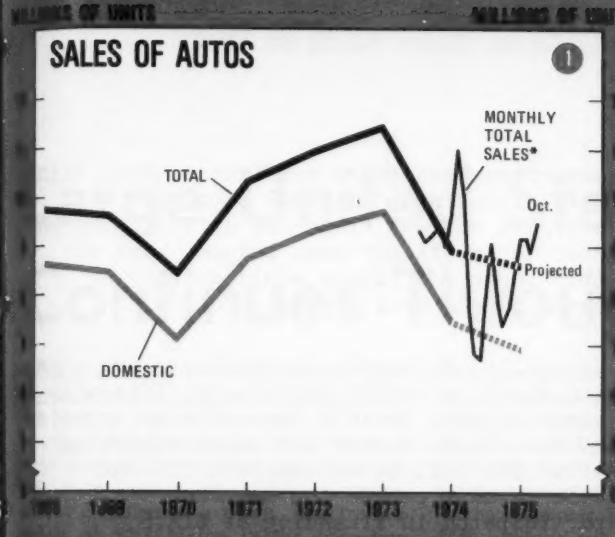
In addition to alterations of existing models, an additional eight new nameplates were added to 1976 models. These probably represent a new domestic generation of smaller, lighter vehicles engineered for greater energy efficiency.

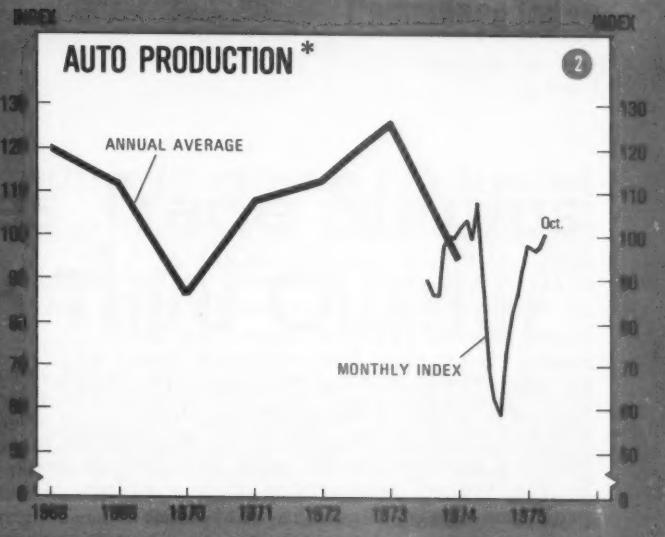
Sales of the auto industry directly affect the level of employment and Gross National Product (GNP). From $46.3 billion in constant dollars in the first quarter of 1973, about 5.6 percent of GNP, gross auto product fell to an annual rate of $26.7 billion during the first quarter of 1975 or about 3.4 percent of GNP. From 753,800 in September 1973, the number of production employees in motor vehicles and equipment fell to 508,500 in February 1975, a decrease of almost one-third.

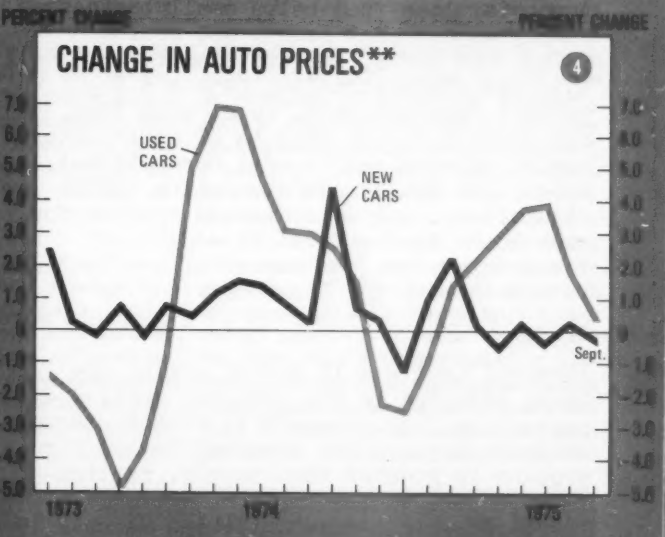
By the third quarter of 1975, gross auto product rebounded smartly to an annual rate of $38.9 billion, about 4.8 percent of GNP. However, that rate was 16 percent less than in 1973. Currently the three largest auto producers are employing about 590,000 production workers, 19 percent fewer than in 1973.

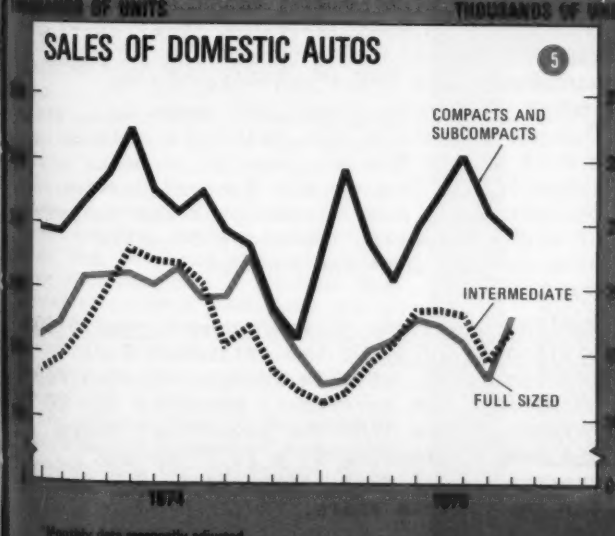
Recent financial data indicate that consumers have the purchasing power to buy cars. In 1971, 1972 and 1973, consumers spent 5.5 percent of their Disposable Personal Income (DPI) for new motor vehicles end equipment. During the first quarter of 1975, that proportion fell to 3.4 percent. The proportion of auto credit to total consumer credit has fallen while at the same time consumers have been reducing their total outstanding debt. In 1973 total credit was 20 percent of DPI compared with 17.3 percent during the second quarter of 1975.

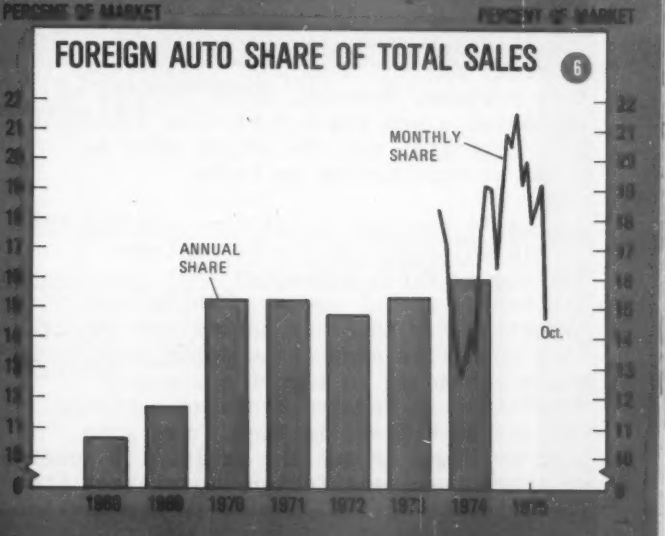
In summary, the slower sales of the latest model year for the auto industry imposed a heavy burden on workers in the industry as well as having a deleterious impact upon industry profits. Customers have the income and the availability of credit to buy new cars in light of recent financial experience. All the auto companies have responded to the change in tastes of car buyers. In October 1975, sales of automobiles rose to 9.5 million at a seasonally adjusted annual rate, with 8.1 million units of these carrying domestic nameplates. Industry executives expect total auto sales to rise to more than 10 million in 1976, with foreign penetration remaining at the October level of about 15 percent. This protection seems to be attainable since current sales already have reached a 9½ million annual rate.











*Monthly data seasonally adjusted
**Not seasonally adjusted

Newsmemo

Leaders of about 15 American Indian tribes are working together with Commerce's Economic Development Administration to save their storm-hit cattle industry. A $3 million EDA grant will help Indian ranchers on reservations in Montana and North and South Dakota restore losses in their herds. Long-term low-interest loans will be administered from the American Indian National Bank of Washington, D.C. Repayments will be placed in an interest-bearing account to be held for future use by the tribal consortium when similar problems again face the cattlemen.

A special loan fund helps small businesses comply with recent safety and health rules. The loans, administered by the Small Business Administration, have a 6.5 percent interest rate, no closing fees, and can run for as long as 30 years. They assist enterprises to meet Occupational Safety and Health Administration (OSHA) regulations. Only 8 companies applied for such loans in the first 14 months of the program, but the number of applications is now increasing. Loan money may be used for plant renovation or a complete move.

Farmers' problems in drying grains are being affected by the national problem of conserving fuel. Propane is used by farmers in grain drying. But seasonal demand for propane is greater than supply, particularly in the winter. And the overall level of propane demand is high because it is an alternative fuel to natural gas. Corn can be preserved for hog feed without drying by using propionic acid. To date, this chemical has not been used extensively for this purpose. However, Union Carbide has completed a new plant that will quadruple U.S. capacity, and the output will be aimed at corn-drying on farms.

Are world economic conditions eroding the soundness of the Eximbank? Chairman William J. Casey addressed that question in his recent annual report: "While the potential for loss has become greater as many countries around the world experience sharp increases in import costs and reductions in foreign exchange earnings, and the Bank does, in fact, have some loan problems around the world, its reserves are more than satisfactory to protect its financial integrity. Moreover, the Bank's experience generates confidence that, with rare exceptions, national economies will overcome current financial difficulties and meet their obligations. Indeed, loss of this basic confidence would quickly compound and proliferate defaults."

Meanwhile, Eximbank's competitors are pushing ahead on export support by officially-backed loans. In 1974 the official agencies of the Common Market and Japan supported about $56 billion in exports. For the U.S. in that period the Eximbank participated in financing of $12.5 billion of exports. A significant step by the competition this year was the expansion of programs to protect Common Market exporters from production cost increases. In February the British introduced an inflation risk insurance plan to cover exporters for more than 5 percent of contract price. It could cost $130 million the first year. An even more generous inflation cover program, by the French, is expected to cost $225 million this year.

Worldwide recession and stiff global competition have sent Customs fraud incidence way up. The U.S. Customs Service reports that between fiscal years 1972 and 1974 the number of fraud cases it opened leaped from 2,100 to 4,257; seizures and penalties assessed rose from $254.3 million to $767.7 million. In the fiscal year just closed the latter figure hit an all-time high of $1.1 billion (which may be reduced to some degree in final settlements). Investigating these frauds—false statements and practices relating to import shipments—sometimes seems to Customs officials like hunting a moth in a dust storm. But the pursuit is being intensified, because the Customs Service believes that such frauds pick the pockets of every taxpayer, importer, domestic producer and American consumer.

Health care costs of Americans topped $100 billion in 1974. Of the estimated $104 billion total, private funds accounted for 60 percent and government spending for 40 percent. Since 1960 the government share has been increasing at a 14.2 percent average annual rate, compared to 8.7 percent for the private share.

Commerce Today
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Large United States Trade Surplus Continues Through Third Quarter

The U.S. trade position improved dramatically in the first nine months of this year as exports continued to expand in value while imports fell. As a result of these divergent movements, the merchandise trade balance moved into a surplus of $11.2 billion at a yearly rate from a deficit of $2.3 billion in the preceding year.

U.S. exports, excluding military grant-aid, were running at a seasonally adjusted annual rate of $105.8 billion in January-September, 8 percent above the 1974 total. The increase represented a considerable slowdown from the 38 percent gain recorded last year. Imports, on the other hand, fell by 5½ percent to a rate of $94.6 billion on an f.a.s. transaction value basis in sharp contrast to the 44 percent surge in 1974.

Imports on a c.i.f. value basis, which includes the cost of insurance and freight to U.S. ports, totaled $102 billion at an annual rate through September, and the surplus, using this measure of U.S. foreign purchases, was $3.8 billion.

The abrupt deceleration in export growth and the drop in imports were both related to the substantial downturn in U.S. and world economic activity which began about mid-1974 and has only recently shown signs of revival. The slump abroad depressed foreign demand for U.S. products, particularly in the industrial countries where production and investment have been sluggish for some time.

The recession in this country was somewhat more severe than in most other industrial countries, and therefore had a more negative effect on U.S. import demand. As a result of weak domestic consumer spending, declining capital investment, large liquidation of inventories, and some price declines, U.S. purchases from abroad of consumer goods, food, and industrial supplies other than petroleum fell in value. In contrast to the huge increase last year, the value of petroleum imports showed only a small rise.

The adverse effect of the world recession on U.S. foreign trade is even more apparent from the performance of exports and imports after adjustment for price changes. In real terms, exports fell by 3½ percent from their level in 1974, while the decline in import volume was 14 percent. Although both export and import prices continued to rise this year, the increases were far less steep than in 1974.

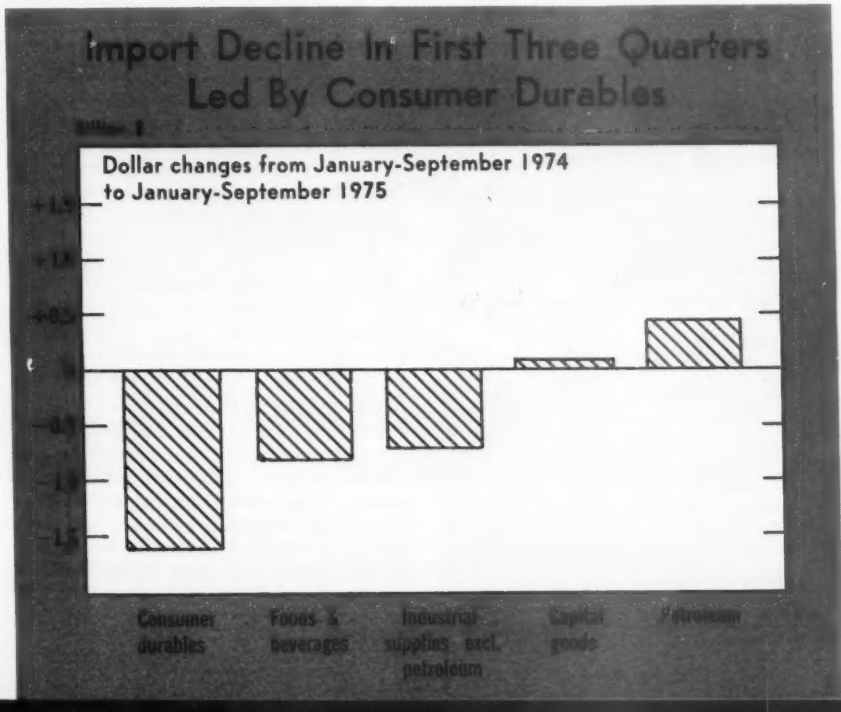
The weakness in foreign demand for U.S. products has been evident since the beginning of this year. Exports, following substantial gains in all four quarters of 1974, recorded only a small rise in January-March, then fell by 5½ percent in the second quarter. They did, however, rise to a new peak in July-September. Imports, after leveling off in the final three months last year, dropped sharply in the first two quarters of 1975, but also rebounded in the third.

Nonfarm sales rise

Sales of nonagricultural products expanded to $62.9 billion, seasonally adjusted, 15 percent above shipments in January-September last year. Although accounting for all of the nine-month export advance, this growth stemmed entirely from higher prices, as the volume of shipments fell off.

Continuing quarter-to-quarter increases which have been recorded since the second quarter of 1972, exports of machinery rose nearly one-fourth over January-September 1974 to $21 billion. An expansion of more than $500 million in power-generating machinery deliveries largely reflected increased movement of automobile and aircraft engines to Canada and rising sales of steam power boilers and turbines to Western Europe. A strong gain of over $350 million was recorded in shipments of agricultural machinery, as U.S. manufacturers filled export order backlogs when domestic demand slackened.

Sales of construction and materials handling machinery also rose strongly, especially to the oil-producers among the developing nations which are expanding their social and economic development programs. Oil-well drilling and mining equipment shipments were up by two-thirds, mainly to Western Europe and the Near East. Computer sales, in contrast, rose only marginally after posting strong gains in the preceding two years. Sales of semiconductor devices and parts fell by 20 percent, particularly to West


Import Decline In First Three Quarters Led By Consumer Durables
Dollar changes from January-September 1974 to January-September 1975
Consumer durables
Foods & beverages
Industrial supplies excl. petroleum
Capital goods
Petroleum

Nonfarm Products Lead Export Advance

Commodity	January-September 1974	January-September 1975	Change from 1974 to 1975
	Millions of dollars, seasonally adjusted		Percent
Nonagricultural products, total	**54,908**	**62,904**	**+ 15**
Machinery, total	17,133	21,017	+ 23
Power generating machinery	2,068	2,606	+ 26
Materials handling equipment	852	1,343	+ 58
Agricultural machinery	697	1,065	+ 53
Construction equipment	600	959	+ 60
Metalworking machinery	450	694	+ 54
Motor vehicles and parts	5,633	7,255	+ 29
Chemicals	6,514	6,478	— 1
Civilian aircraft	2,401	2,636	+ 10
Coal	1,518	2,503	+ 65
Steel tubes, pipes, and fittings*	541	1,128	+109
Agricultural products, total	**16,579**	**16,465**	**— 1**
Wheat	3,111	3,782	+ 22
Corn	2,821	3,076	+ 9
Soybeans	2,656	2,150	— 19
Cotton	1,054	867	— 18

* Not seasonally adjusted.

European countries, as a result of sluggish consumer demand for electronic products incorporating these components.

The outflow of automotive products to Canada rose by one-fifth to $4.2 billion. From the relatively low level in January-March, shipments of cars, trucks, and parts climbed strongly in both the second and third quarters, reflecting this year's gradual improvement in the U.S. and Canadian auto markets. Automotive deliveries to other destinations also expanded rapidly, largely due to huge truck sales to Iran. Civilian aircraft exports advanced moderately to $2.6 billion, but this year's growth fell far below the 1974 rise when a considerable number of 747s were delivered. Shipments of both aircraft parts and military planes rose much more strongly.

In large part because of higher prices, coal exports expanded by nearly a billion dollars over the first nine months of 1974. Since the first quarter, however, coal exports have fallen considerably in volume and value because of depressed steel production abroad.

Shipments of steel pipe, used extensively in oil and gas production, rose by over $500 million, double their value in 1974, with the largest increases recorded to oil-exporting countries in Latin America and the Near East. Exports of other steel products fell by a larger amount, however, as a consequence of sluggish demand in the industrial countries.

Chemicals exports were practically unchanged from their total a year ago, as strength in sales of fertilizers and inorganics offset reductions in plastic materials, organics, and other products. Shipments of other industrial supplies, including textile yarns and fabrics, nonferrous metals, and paper products, declined in response to destocking abroad combined with lower production.

Farm sales level off

Agricultural exports totaled $16.6 billion, seasonally adjusted, in the first nine months of the year, almost unchanged from the same period last year. After posting a record total in January-March, the value of these shipments fell sharply in the following three months as most major commodities declined in quantity and export prices generally dropped. Deliveries rose again in the third quarter, however, despite a further decline in prices, as the volume of wheat, soybean, and cotton shipments rose strongly.

Wheat exports climbed by more than one-fifth over January-September 1974, mainly reflecting a step-up in shipments to the Soviet Union and to India which has been rebuilding its stocks of grain. Corn sales rose moderately as higher average prices and larger shipments, especially to Western Europe, more than offset a drop in the volume shipped to the USSR, People's Republic of China, and Japan.

Despite a third quarter upturn, soybean shipments fell one-fifth from last year's quantity and value because of greater competition from foreign oilseeds. Cotton sales declined at nearly the same rate as a result of depressed textile mill activity abroad and more abundant world supplies.

Shifts in U.S. Trade Balance

Millions of dollars, seasonally adjusted

Country groups	January-September 1974	January-September 1975
Developed countries, total[1]	**+2,513**	**+6,705**
Canada	—1,604	— 7
European Community	+2,218	+4,574
Other Western Europe	+1,490	+2,280
Japan	— 929	—1,167
Developing countries, total[1]	**—5,501**	**+ 345**
Petroleum-exporting	—8,993	—6,267
Non-petroleum exporting	+4,138	+7,192
Socialist countries, total[2]	**+1,008**	**+1,190**
USSR, Eastern Europe[2]	+ 347	+1,096
People's Rep. of China[2]	+ 661	+ 95

[1] Excludes military grant-aid.
[2] Not seasonally adjusted.

Of the $2.4 billion decline in imports from January-September 1974 levels, nearly three-fourths stemmed from reduced consumer goods purchases. At $173 billion in the first nine months, arrivals of consumer goods were 9 percent below the comparable value last year. The downturn in these imports began in the final quarter of 1974, coincident with a decline in U.S. personal consumption expenditures, and continued through the first half of this year. In the third quarter, however, consumer imports rebounded sharply as purchases of most major products increased.

Arrivals of autos from foreign countries other than Canada fell by 18 percent in value so far this year and by about one-third in quantity. Most of this decline reflected reduced receipts of cars from West Germany, although arrivals from other suppliers in Western Europe and from Japan were also lower in volume and value. The decrease in imports occurred despite an overall increase in foreign car sales, as demand was met through a sharp drawdown of domestic inventories which had been built up in 1974. Through September, sales of cars from abroad accounted for 20 percent of the total U.S. automobile market, up substantially from the 15-16 percent share recorded in the 1970-1974 period.

Imports of new cars from U.S. subsidiaries in Canada increased 13 percent in value over the comparable period of last year, but the number dropped by 12 percent as higher prices caused values to swell. Arrivals of auto parts from Canada were about the same as last year in value; receipts have risen quarter-by-quarter, however, in line with an upturn in vehicle output.

After declining slightly last year, imports of consumer electronic products—mainly radios, television sets, and audio tape equipment—fell sharply in response to the slump in demand. An upturn was recorded in these purchases in July-September, however, for the first time in over a year. Arrivals of motorcycles, toys, sporting goods, and furniture were also down on a cumulative nine-month basis, though small pickups were recorded in the third quarter. Clothing imports were slightly lower in value than in January-September 1974, but footwear purchases from abroad continued to advance.

After rising over 40 percent in value last year, imports of industrial supplies other than petroleum declined by 9 percent from their level last year to $18.3 billion. The sluggishness of these imports stemmed primarily from sharply lower demand for many commodities due to the contraction in U.S. industrial production and the huge liquidation of inventories. An additional factor was the downtrend in import prices for these products following the exceptional surge in 1974.

Imports of copper dropped by more than 70 percent in value, as demand here was curtailed by the recession and prices plummeted because of sluggish world markets and plentiful stocks in major consuming countries. Aluminum arrivals were also reduced in quantity, though the value increased somewhat because of higher average prices. Nickel import volume fell even further than that of aluminum, but price increases kept the value from changing. For the second consecutive year lumber imports were depressed with reduced U.S. construction activity and homebuilding. Woodpulp and newsprint purchases also fell in quantity, though higher prices enabled the latter to post a small increase in value. After climbing by 80 percent in 1974, arrivals of industrial and agricultural chemicals declined slightly this year.

Steel imports, which had risen steadily in 1974 with an especially sharp jump in the final quarter as a result of greater export availabilities in foreign producing countries and fears that a coal strike would reduce U.S. supplies, nearly maintained their high level in the first three months of this year, but fell precipitously thereafter. As a result of this steep decline, the volume of steel receipts in January-September was one-tenth lower than in the comparable period last year, though higher prices raised the value by 28 percent.

Petroleum imports rose only 2 percent in value this year, to $18.3 billion, entirely because the average price was higher compared with the January-September 1974 period which included some arrivals not fully reflecting the huge OPEC price increase. In volume terms, receipts of oil from abroad fell by 2½ percent, reflecting a decline in imports of refined products. Crude petroleum arrivals continued to increase as a further drop in domestic crude production, coupled with a small increase in U.S. refinery output, necessitated greater imports of foreign oil. Imports of petroleum into the Virgin Islands, reported separately by the Census Bureau, amounted to $1.4 billion in January-September. Nearly all of this total represented arrivals of crude petroleum which are refined there and shipped to the United States.

Reflecting the slump in U.S. plant and equipment expenditures which depressed demand for foreign machinery, imports of capital goods were almost unchanged from last year's value. Declines were noted in arrivals of electronic components and textile machinery, although agricultural machinery and metalworking equipment imports continued to post increases. Receipts of trucks from Japan and aircraft parts and engines also fell.

Imports of food and beverages trended downward almost steadily from the first quarter of 1974 before turning up sharply in July-September. In the first nine months, these purchases were 11 percent below the comparable period last year. With the exception of sugar, all major import products declined in value. Meat purchases showed the largest drop in value, largely because of lower prices for beef from Australia and New Zealand. Supplies of fish from Japan also fell after steady increases for the last three years. Entries of coffee were little changed in quantity, and 8 percent lower in value. There was a sizable increase in coffee arrivals in the third quarter, however, as relatively low U.S. stock levels prompted greater inflows and the price began to rise in anticipation of the severe reduction in next year's Brazilian crop because of frost damage. Although sugar import prices have receded dramatically from their January peak, the average for the first nine months was well above the same period last year. As a result, the value of sugar imports increased, despite a one-third drop in quantity.

Area trade developments

The shift in the U.S. trade position from a deficit to a surplus this year stemmed from larger surpluses, or smaller deficits, with nearly all of the United States' major trading partners. Exports to all areas but Japan continued to increase in value, though at a slower rate than last year, while imports from most regions leveled off or declined.

The shift in the U.S. balance was particularly large with the developing countries. Sales to the OPEC and other oil-exporting developing nations climbed by 70 percent, nearly as rapidly as in 1974, while imports rose by only 7 percent. That advance contrasted with the tripling in import values last year when oil prices jumped so spectacularly. The U.S. deficit with these countries declined this year by nearly a third to $6.3 billion. Trade with the other developing countries recorded a much larger surplus than in 1974—$7.2 billion—as U.S. exports to them rose while purchases fell.

Shipments to Canada expanded further while imports showed almost no change, resulting in virtual elimination of the U.S. trade deficit with that country. A modest increase in the value of sales to Western Europe, coupled with a sizable drop in purchases, produced a near doubling in the U.S. surplus with that area. Only with Japan did our trade deficit rise, reflecting a drop in exports larger than that in imports.

EXPORT PROMOTION TASK FORCE AT WORK—*Members of a task force of the President's Export Council met in Washington this month with Commerce Department officials to review the department's export promotion activities and make recommendations on possible new programs. Task force chairman is Fletcher L. Byrom, Koppers Co., Pittsburgh, who is also chairman of the Council. The 15 task force members represent a broad spectrum of U.S. industry. They will meet again in Washington, probably in February, to continue their year-long assignment. Photo shows Charles J. Berthy, of Ledex, Inc., Dayton, O., at head of table leading the discussion.*

EPA Aims To Preserve Profits While Protecting Environment

Since the creation of the U.S. Environmental Protection Agency by Executive Order in 1970, Congress has enacted a series of laws giving the Agency new responsibilities for pollution control in such areas as water, air, solid waste, noise, ocean dumping and pesticides.

The laws were preceded by a decade of agitation by citizens for more effective pollution controls to protect public health and welfare. The costs of pollution had become a matter of nationwide concern. The National Institute of Environmental Health, for instance, in 1970 estimated that the cost of environmentally-induced disease was $38 billion a year.

At the same time there was general agreement that earlier legislation simply had failed to do the job. As the House report on the Clean Air Act of 1970 noted, "While a start has been made in controlling air pollution since the enactment of the Air Quality Act of 1967, progress has been regrettably slow."

Answers public demand

The public demanded that Congress provide a comprehensive program at the national level to deal with increasing environmental pollution—pollution that respected neither local nor state boundaries. As the opening sentence of the Clean Air Act of 1970 put it, "Congress finds that the predominant part of the nation's population is located in its rapidly expanding metropolitan and other urban areas, which generally cross the boundary lines of local jurisdictions and often extend into two or more states," and that air pollution "has resulted in mounting dangers to the public health and welfare."

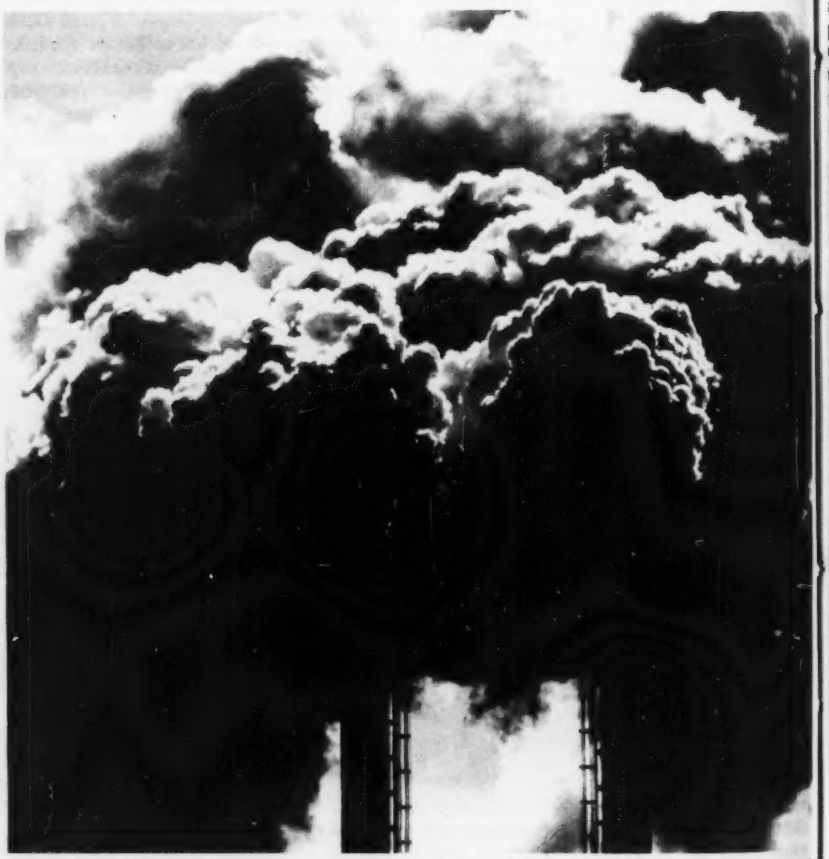
Until the creation of EPA, the Federal Government's approach to the pollution problem had been fragmented among some 15 different units in various departments and agencies. The new agency brought them under one roof to give unified and coordinated direction to the pollution control effort which became a matter of high national priority as a result of the program created by Congress over the next few years.

Among the first of these laws was the Clean Air Act of 1970, with its tightly drawn deadlines for the establishment of Air Quality Control Regions, national ambient air quality standards, and implementation plans by states to maintain and enforce the standards. The Act also called for creation of other standards for new stationary sources and hazardous materials. There were detailed sections requiring industry to keep records and make reports. An important part of the Act required auto companies to reduce emissions of carbon monoxide and hydrocarbons from cars by 90 percent between the 1970 and 1975 model years and nitrogen oxides by 90 percent between 1971 and 1976.

This article was specially prepared by Russell E. Train, Administrator of the U.S. Environmental Protection Agency, for inclusion in Commerce Today.

Although some of EPA's authority was contained in the original Presidential Executive Order establishing the Agency, Congress amended and amplified this in several ways. The Federal Water Pollution Control Act Amendments of 1972, for example, not only set as a goal the achievement of "fishable and swimmable" waters by 1983 but gave EPA specific deadlines and authority for setting standards and issuing regulations.

Similarly, that same year, the Federal Environmental Pesticide Control Act authorized the EPA Administrator to require registration of pesticides and to prescribe standards for certification of per-



THE WAY IT WAS—*Though some industrialists are feeling the pinch of pollution control expenditures, no one in the country advocates going back to this: factory stacks belching smoke from the unrestricted burning of old auto batteries.*

CHECKING PROGRESS—*EPA scuba divers take samples from the bottom of a Minnesota lake, where construction of an advanced sewage treatment plant has reduced the amount of algae-causing phosphorus to the point where the lake is once again a recreation center.*

sons handling these chemicals in the field, as well as to require record-keeping by pesticide manufacturers. The so-called Ocean Dumping Act of 1972 also directed the EPA Administrator to establish criteria for reviewing permit applications to transport and dump materials in ocean waters.

The Noise Control Act in the same year required EPA to publish proposed regulations governing major sources of noise such as transportation and construction equipment, and to set specific deadlines for compliance.

The Safe Drinking Water Act in 1974 ordered EPA to publish and promulgate national drinking water regulations, to recommend maximum contaminant levels, to report back to Congress on progress within two years, and to require record-keeping by water suppliers.

In the Congress as in the country, support for the new legislation was overwhelming. The Clean Air Act of 1970, for example, was passed by a vote of 73 to 0 in the Senate and 374 to 1 in the House. The Federal Water Pollution Control Act Amendments of 1972 cleared the Senate by an 86 to 0 vote and the House by 380 to 14. Congress then overrode a Presidential veto to pass this into law. The Federal Environmental Pesticide Control Act of 1972 was approved 288 to 91 by the House and 71 to 0 by the Senate.

The Congress also made it plain that it would keep a close watch on EPA to make sure its duties were faithfully discharged. Both the Clean Air Act and the Water Pollution Control Act, for instance, required the EPA Administrator to make periodic and detailed reports to Congress on measures taken to achieve the legislation's goals.

At the same time, the role of EPA was defined in this package of legislation as something more than simply that of regulator. A number of provisions were included for federal grants to help industry, localities and states achieve new pollution controls, as well as funds for research, training, and technical assistance.

Tops space program

For example, the Water Pollution Control Act Amendments of 1972 authorized $18 bilion for an unprecedented construction program of wastewater treatment systems. This is now the largest federal public works program in being, as measured by dollars currently being committed—bigger than interstate highway construction or the space program. It also is an important stimulant to the economy and to the many industries associated with building and equipping these sewage treatment plants. For every $1 billion in construction outlays for these plants, an estimated 20,000 to 25,000 on-site jobs are created as well as an additional 20,000 to 25,000 in off-site employment in industries supplying materials.

Similarly, EPA for years has used both research and development contracts and cost-sharing grants to assist industry in developing process changes offering new ways to reduce pollution. Under cost-sharing grants, for which the Federal Government provides about 35 percent of the funds, new processes have been developed for the food canning industry, for example, that offer substantial savings in water, energy, and nutrients, while curbing water pollution. Approximately $60 million in federal funds have supported this matching program thus far.

The 1970s therefore present a new set of challenges and opportunities for American business to anticipate the requirements of these environmental laws and to take advantage of their benefits. Already industry has installed many environmental controls to meet various standards. Indeed, the pollution control industry is a rapidly growing enterprise with a large export market. Buyers in 18 other nations, according to a recent global survey by the U.S. Department of Commerce, purchased in excess of $500 million worth of air and water pollution control equipment from foreign sources in 1974. U.S. firms accounted for about $125 million of these sales.

American industry has obviously studied the new environmental laws and is taking them into account in its long-range planning. While retrofitting older plants with devices to curb emissions of pollutants has been a necessary and valuable means of safeguarding public health and welfare, a number of managers also are taking advantage of up-to-date technology to eliminate or avoid pollution in the production stream itself rather than simply

CHECKING THE COMPETITION—*An inspector at EPA's Manhattan pesticide laboratory tests an imported pesticide for mislabeled or improper ingredients. EPA can refuse entry to products which do not conform to its standards.*

installing top-of-the-stack or end-of-the pipe devices. This policy of rethinking the process is a wise and far-sighted one, for often substantial savings can also be achieved in raw materials, fuel, heat and other components when a process is designed consciously to reduce pollution.

Here to stay

It is obvious that environmental protection is here to stay. The laws are firmly on the books and functioning to protect the American public from the unwanted side-effects of an increasingly complex technology. And the environmental effort continues to enjoy strong public support. A Harris poll early this year showed that even during our energy and economic difficulties, three out of four Americans were unconvinced that a temporary slowdown of programs on water and air pollution control would help ease the energy shortage, get the economy moving again, or ease unemployment.

"Large majorities," the poll concluded, "believe that it is possible to rescue the economy and to produce more energy while continuing efforts to control pollution."

More recently, in August of this year, the Opinion Research Corporation, one of the most respected of the national survey organizations, sent its management clients a survey of "public attitudes toward environmental trade-offs." The report noted:

"Even during a time of recession, high unemployment and rising fuel costs, the public does not voice a readiness to cut back on environmental control programs to solve economic and energy problems. In fact, six people in ten say that it is important to pay the price necessary to protect the environment."

The report added: "The results of this current . . . study only reaffirm the public's continuing concern about the environment. Witness the high proportion of the public (60 percent) who think that it is more important to pay the costs involved in protecting the environment than to keep prices and taxes down and run the risk of more pollution. Consider, too, the large number (48 percent) who believe the extra price for pollution devices on cars is worth it.

"Equally important, current economic problems facing the nation, despite their distressing effect on so many segments of the population, do not seem to have dispelled the public's basic desire for permanent pollution controls."

In any discussion of pollution controls, it should be kept in mind that the costs of meeting environmental regulations are not new costs at all. They have been there all the time. When a power plant emits uncontrolled sulfur oxides to the air, the costs are real in terms of increased respiratory disease, medical bills, and even increased mortality. It is society as a whole that is bearing those costs. When we require the plant to clean up its pollution, we are simply shifting the cost from society as a whole to the plant and its customers.

PRE-ROAD TEST—*Emission certification testing of a vehicle at EPA's Ann Arbor, Mich., air laboratory. Exhaust fumes are collected for analysis by apparatus at right.*

Moreover, it usually turns out that the costs of cleaning up pollution at the source are a good deal cheaper than the costs of adverse health effects and other damage otherwise borne by society as a whole.

In the body of environmental legislation enacted by Congress during the past five years, there have been instances of unclear language resulting in controversy over the precise interpretation of these laws. These are cases where honest men can disagree, and it is important to bear in mind that EPA on occasion must thread its way through difficult legal language in seeking to carry out the will of Congress in a fair and impartial manner.

It is also worth noting that several major and most controversial actions by EPA—such as its decisions on significant deterioration of air quality, on transportation control plans for various cities, on air quality maintenance plans, and on indirect sources of air pollution—were taken in response to court orders.

As I have pointed out, much of our activity involves cooperation with industry to help achieve environmental goals. Over the past year I have issued a number of directives to my staff at EPA to simplify our regulations and to eliminate some of the more marginal or unnecessary ones. We are making every effort to assure that those regulations we do issue are realistically prepared and are concise and clear.

In a larger sense, I would also underscore that over the long run I see no inherent conflict between our environmental and economic goals. There are short-term tradeoffs that must be made between energy, economic and other goals. These tradeoffs are not always easy to make. But they must be made, and they must reflect a full and fair assessment of all factors involved. As President Ford declared in Portland over a year ago: "I do not accept the dismal proposition that pollution is the inevitable price of prosperity nor that we must compromise the environment to gain economic growth. We cannot enrich our lives by impoverishing our land. We can raise both the standard of living and the quality of life."

Reasonable costs, rules

We need clean air and water, but we also need jobs and profits. I am determined that we at EPA do everything we can to meet our responsibilities in ways that won't put people out of business or out of work and that won't impose unreasonable costs or unnecessarily complex regulations.

I regard the need to minimize the social and economic impact of EPA's efforts as one of the Agency's most important responsibilities. EPA has, in fact, been preparing economic analyses on its standards and regulations years before the President's requirements for inflationary impact statements. By the time they reach final form, they have received, and they reflect, the scrutiny of other federal agencies, industry, environmental groups, and the general public.

While I cannot claim the process is perfect, it is the most open and rigorous of its kind performed by any agency of the Federal Government. And we will do all we can to continue to improve on that process.

Managers Seek Answers Before Problems Swamp U.S. Coastlines

The nation's coastlines are in serious jeopardy, ecologists and planners warn, because of increasing and conflicting demands being placed upon them.

The coastal zone already is hard-pressed to accommodate huge numbers of people, but more are on the way. Today, for example, more than one-half of the U.S. population lives within 50 miles of the sea, but by the year 2000 that number is predicted to rise to four of every five Americans, or 225 million.

Posing an even greater problem, meanwhile, are oil refineries, airports, beach homes, highways, power plants, wildlife refuges, and commercial establishments—all competing with one another for the narrow strip of shore.

Just how serious the problem is has been dramatically illustrated in a document published by Commerce's Office of Coastal Zone Management (OCZM), the agency charged with doing something about the matter while it's still solvable.

State Coastal Zone Management Activities, a summary of problems and plans for corrective action in 31 of the 34 states and territories with coastlines, draws a stark picture of the stresses to which the coastal areas are being subjected.

But the document—in effect the first progress report of how states are utilizing the Coastal Zone Management Act of 1972 and the federal funds it made available, together with the funds provided by the states—also presents a hopeful view, provided the plans of participating states are carried out.

The state planning efforts were made possible through grants awarded by OCZM, an agency of Commerce's National Oceanic and Atmospheric Administration. Under the Coastal Zone Management Act, states may receive three annual grants to develop their program and a secondary grant to implement the plan.

The law requires that states contribute 50 cents in state matching funds for every $1 that OCZM provides. Of those eligible to receive the grants, only American Samoa has yet to submit an application.

The grants are made only after the state's development plan has been approved by the Secretary of Commerce. Those grants contain a "federal consistency" clause that requires federal agencies with activities along the shore to conduct them in a manner consistent with the approved state program.

In passing the Coastal Zone Management Act, Congress noted that plans to protect coastal areas were either nonexistent or generally inadequate.

Robert W. Knecht, NOAA's Assistant Administrator for Coastal Zone Management, says that states which border the Atlantic and Pacific Oceans (as well as the Great Lakes) face enormous problems, especially regarding:

- Vacation home and land development pressures;
- Loss of wetlands and reduction in fish and shellfish stocks;
- Difficulty in obtaining sites for energy-related facilities;
- Public access for recreation;
- Coastal water pollution;
- Erosion and flood losses caused by nature and man, and
- The onshore impact of offshore oil and gas exploitation.

Exactly how the states and territories propose to attack these problems was the

PRISTINE BEAUTY—*Environmentalists and sportsmen generally prefer that America's coastlines be preserved pretty much as they originally were for use by future generations. These fishermen are trying their luck on a stretch of Oregon shoreline.*

MAN-MADE MARVELS—*Resort owners feel the maximum development of every available foot is the best guarantee that coastal areas provide the most benefit to the most people.*

basis for the state-by-state summary. The report identifies for the first time the specific problems facing each state and suggests methods for solving them.

A chief concern among the states is the skyrocketing demand for use of the shoreline which has resulted in numerous conflicts among competing factions. Oil producers, fishermen, developers, and environmentalists all battle for the extremely fragile and limited tract of shore. Each seems to view the coastal zone as a blue-ribbon prize intended for the sole use of his special interests.

Wetlands called crucial

Adding to the problem has been the rapid loss of wetlands which are valuable in a variety of ways. Since 1955, more than 500,000 wetland acres have been dredged and filled to create land for housing, highways, and business establishments. Environmentalists argue that landfilling eliminates nursery grounds for fish, reduces flood protection, and generally upsets the balance of nature.

So intense is the competition to manipulate the coasts that a proposal to modify the smallest marsh often generates wholesale debate. Developers, on one hand, may lobby to fill the marsh and build condominiums on it. The city, on the other, may want to use it as a sanitary landfill site. In the middle may be fishermen proposing to preserve the marsh as a nursery or spawning ground.

Trevor Q. O'Neill, a former OCZM coastal ecologist, explains that another major concern along the coasts is conflicting shoreland uses. "You can't have a waste treatment plant next to an oyster bed because of possible water pollution," he says. "Nor can you have a factory adjacent to a wildlife refuge. The noise and other impacts would defeat the sanctuary's purpose. Unfortunately, in the absence of some form of management plan, a piece of shoreland will generally go to the use which gives the greatest immediate economic return."

All states are wrestling with the problem of how to make the seashore more accessible to the general public. In areas where it is needed most, public access to the shore often is almost completely blocked by beach homes, hotels, and other development. Fences and no trespassing signs sometimes form a continuous barrier between the public and the more attractive beaches. For many, virtually the only way to get to the beach is to trespass on private property. Several states are buying small landstrips and opening up public access routes a few miles apart.

This is only a partial solution to the problem, however. More parking spaces or mass transit systems are needed near beaches to improve public access, especially along the northeastern seaboard. Local officials say that there aren't nearly enough beach-area parking spaces to meet the demand. Some officials have considered creating "mini-mass" transit systems, despite the fact that such projects might produce even larger problems.

Out-of-towners protest

Out-of-town beachgoers feel particularly hard-hit by the parking problem because of what they claim to be overt discrimination. In lawsuits filed against towns in New York, New Jersey, and Connecticut, the nonresidents charge that they frequently are not allowed to park near the beach unless they display a local parking sticker or pay an excessive fee. According to O'Neill, "public access is so controversial in New England that it is often a political issue in local and Congressional races."

Can't lose this race

A race which none of us can afford to lose is the one against the water pollution which is infecting the coastal zones. Poor water quality is seriously threatening marine resources and man's eating habits. Much of the damage is caused by runoff carrying with it pollutants from fields and factories. Oil spills from tankers and outboard motors are additional causes of water pollution, as are discharges from seagoing vessels.

The OCZM summary also ranks flooding and erosion extremely high among coastal state concerns. Together they affect thousands of miles of shoreland and millions of dollars in property. Many areas along the coasts lose one to five feet of land to erosion annually. In the Great Lakes region, more than one-third of the shore is subject to extensive erosion, and record high water levels have totally flooded shorelands which normally protect homes and commercial developments.

The major reason for the current high lake levels is that precipitation in the area has exceeded evaporation during recent years.

Rounding out the major concerns of coastal states is the onshore impact of deepwater ports, floating nuclear power plants, and offshore drilling to meet energy needs. More facilities in the coastal zone will mean more people and, in turn, more social services. New roads, schools, shops, homes, and hospitals will have to be built near an already teeming shore to accommodate new families.

The concern of most states is not the single impact of one coastal facility, but the cumulative effect of many. Heightening that concern are Interior Department plans to lease millions of acres offshore for oil and gas drilling.

With increased problems along the shore comes a corresponding need for farsighted solutions. Congress recognized the need in passing the Coastal Zone Management Act. The Act subsequently brought into being the Office of Coastal Zone Management and a new federal-state partnership. For the first time in history, a federal government agency was charged with assisting states in developing a program to achieve wise use of coastal land and water resources.

No one can predict for certain the future of coastal zone management other than to say that much hard work lies ahead, trying to pull together a comprehensive program that will preserve and protect coastal resources for this and succeeding generations.

Energy Management Digest

GAS SHORTAGES ASSESSED. . .Companies distributing natural gas to end-use customers in 21 key states will be short 1.2 trillion cubic feet (Tcf) of the 5.1 Tcf required this winter, according to a recently issued report from the Federal Energy Administration. The report, Natural Gas Curtailments, 1975-76 Heating Season, says curtailments from distributing companies to end-use customers will be 37 percent greater this winter than last. The report says fuel oil supplies in the 21 states will be sufficient to offset natural gas curtailments to companies capable of burning oil. However, it identifies 11 states which won't have enough propane to offset projected gas curtailments—Arizona, Indiana, Kentucky, Maryland, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. For these the report shows propane use last winter and what additional demands are expected this winter. It says there will be no curtailments of natural gas to residences, but that industrial slowdowns could result from insufficient gas supplies, the inability to burn alternative fuels, or the higher cost of those fuels.

ACCORD WITH DANES. . .The U.S. Nuclear Regulatory Commission and the Danish Atomic Energy Commission have signed an arrangement providing for exchange of information pertaining to the regulation of nuclear energy for the benefit of public health and safety. The arrangement will enable the two agencies to share information which is important in the regulation of nuclear activities in their countries, including nuclear safety problems. Also provided for is the sharing of nuclear energy research information, which is intended to reduce time and duplication of effort.

BIGGEST YET. . .The Solarex Corp. of Rockville, Md., reports that it has developed the world's largest, most powerful solar cell, which doubles the surface area and power output of previously available models for earthbound applications. Solarex officials view the development of this new cell as an important step towards their goal of making solar electricity cost competitive with utility-generated electric power. The cost of solar cells has dropped dramatically in the last two years, according to Solarex, and cells are now supplying power in many remote locations where they are already cost competitive.

ADVANCE NOTICE. . .The Nuclear Regulatory Commission is amending its regulations to require advance notice to NRC of some shipments of special nuclear materials. The amendments require that the appropriate NRC Regional Office be notified at least seven days in advance of a shipment and also be notified upon its arrival at its destination. The requirements apply to shipments of 5,000 grams or more of uranium-235 (contained in uranium enriched to 20 percent or more), 2000 grams or more of uranium-233 or plutonium, or a combination of these materials equalling 5000 grams or more. They do not apply to shipments of used fuel from reactors.

PETROLEUM DEMAND DOWN. . .Demand for all petroleum products for the four weeks ending Oct. 31 averaged 15.81 million barrels per day, 9.6 percent below the same period in 1974, and 10.9 percent below the 1973 levels. Motor gasoline demand was 0.6 percent above the 1974 level and 3.2 percent above the 1973 level. Residual fuel oil demand, however, was down 22 percent from 1974 and 23.8 percent from 1973. Demand for distillate was off 16 percent from 1974 and was 13.9 percent lower than in 1973. Other petroleum products were 12.6 percent below last year and 19.3 percent below 1973. Motor gasoline accounted for 42.5 percent of the total demand for the four-week period, residual fuel oil for 13.5 percent, distillate for 16 percent, and other petroleum products for 28 percent.

INDUSTRY ACHIEVEMENTS. . .Four of the ten major U.S. industries taking part in a government-sponsored industrial energy conservation program—aluminum, meat packing, petroleum refining, and pressed and rolled glass—report achieving more than 60 percent of their targeted 1980 goals already. Flat glass and chemicals say they have reduced energy use per unit of production by one-third of their goals. Lesser gains were reported by baking, paper, and steel, while the cement industry did not update its 1974 report. The copper industry is still collecting data.

Officials Seeking Answers To Nation's Business Problems Go To The Grass Roots

The difficulty of obtaining capital funds, the need for vocational training on the part of many job applicants, and the burden and cost of imposed reforms and controls were the three foremost problems stressed by business executives appearing at recent hearings conducted by Department of Commerce officials across the country.

This summary of the points developed at the hearings was made by John W. Eden, Deputy Under Secretary of Commerce for Field Programs. Eden attended the grass roots sessions, which were held in Columbia, S.C., Birmingham, Ala., Dallas, Pittsburgh, and Boston. Scores of persons testified at the hearings on a wide range of subjects affecting business operations, jobs, and related economic problems.

Persons presenting testimony ranged from heads of the largest corporations to officials of small business concerns, minority contractors, local labor union leaders, representatives of the League of Women Voters and others.

Secretary of Commerce Rogers C. B. Morton endorsed these sessions as a means of developing new jobs for the millions of persons who are now unemployed, as well as those entering the work force in the next 5 to 10 years.

Describing the current unemployment rate as unacceptably high, Morton commented that the creation of new jobs will require "policies which can accelerate the formation of investment capital, stimulate the development of markets for goods, and aid in the transfer of new technology into products."

Eden explained that the hearings were designed to "bring the Federal Government to the local community to show attentiveness and responsiveness to the citizens, and to obtain factual data on a number of subjects for the development of Department policies and procedures."

"Some of the most interesting points that we have heard," Eden said, "relate to the extremely difficult problem of capital shortage facing many of the industries represented. This is problem number one. Problem number two, which was brought out repeatedly, is the need for work education, or vocational training, if you will. This was a constant theme presented in the testimony in almost every city. I think it brings to light a point that perhaps we should give greater emphasis to in the Commerce Department.

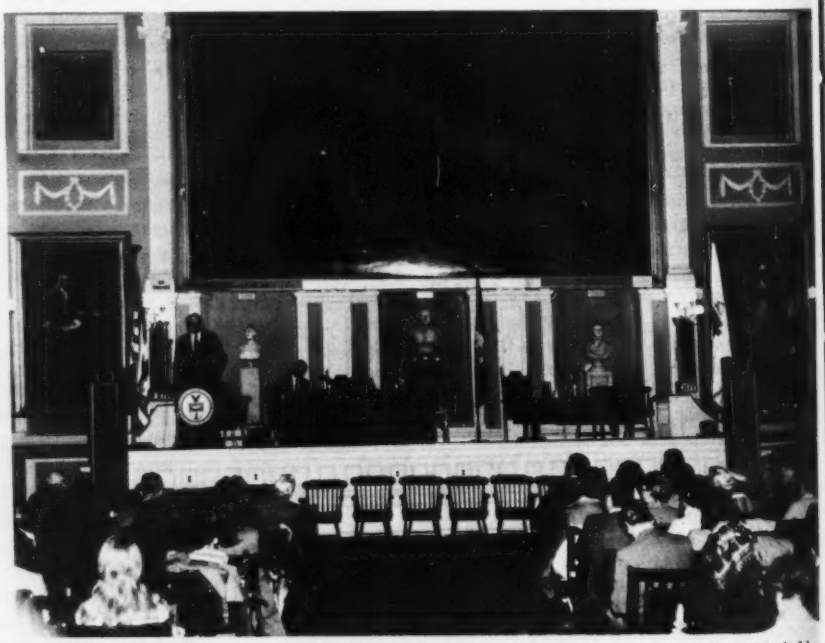
"The third point is that, almost universally, manufacturers are vitally concerned and stirred up over the amount of regulatory reforms imposed on their businesses, and the excessive nature of the reporting that must be accomplished. The regulations in terms of occupational health, safety, and environmental controls, as well as economic controls, are imposing impractical restrictive requirements on a great many industries, according to their spokesmen."

With regard to capital formation, Eden said the Commerce officials repeatedly heard testimony that business favors elimination of the double taxation of dividends, permanent extension of the investment tax credit at 12 percent, and more generous depreciation allowances for capital equipment, particularly that required to meet the environmental and occupational health and safety controls.

Eden emphasized that the requirements for capital "are staggering." As an example, he pointed to the testimony of the U.S. Steel official who stated that the corporation would have to raise $42 billion between now and 1985.

Eden said it was generally agreed by almost everyone who testified that equity capital is presently very difficult to raise. This situation will exist, he said, until corporations are able to return to a level of profit that makes equity attractive.

"Their profit margins," he said, "are less now than are necessary to meet even the cost of borrowed money. They feel



HISTORIC SETTING—*As the Founding Fathers look down from the wall behind him, Secretary Morton addresses the New England Regional Commission's Task Force on Capital and Labor Markets in Boston's Faneuil Hall, "Cradle of the Revolution."*

that the capital they are going to be able to get will have to be obtained largely through self-funding."

An equally severe capital shortage problem is affecting the formation of new high technology businesses, particularly those in the New England area. This testimony was repeatedly heard in the recent hearing in Boston, Venture capital funds from U.S. sources for the commercialization of new products is virtually unavailable, whereas foreign investors are actively seeking these opportunities. If this condition continues the U.S. will lose those businesses of the future, and the jobs that go with them.

With regard to the work-education problem, Eden said that while many vocational schools have been established around the country, more are needed.

"These schools are doing an excellent job," he said, "but there are still a great many people who do have an opportunity to go to them. And more of the problems of the jobless in certain areas that we visited include an inability to know how to go about getting a job. One young man working at VISTA in Columbia, South Carolina, told us that some of his problems in findings jobs for people involved such basic things as not knowing how to fill out an application for a Social Security card, or how to get to the employment office, or how to look through a newspaper for the want ads."

Part of the vocational education problem, Eden said, is the expanding use of technology and the fact that the level of skill required of individuals entering the labor force is of necessity rising all the time. To some extent, he said, the unemployment problem is aggravated by the increase in required skills and the fact that so many job applicants are not trained for these skills.

Need trained people

"There is a strong demand, even with our present rate of unemployment, for machinists, for example, particularly in the Dallas and Houston areas," Eden explained.

The challenge facing the United States, particularly regarding exports, he pointed out, is to develop improved technologies as a means of achieving higher productivity and remaining competitive.

"The day of the unsophisticated product which required a high labor content," he commented, "is over so far as America is concerned. Our wage scale is too high to compete with international labor on manual terms. So we must be competing on terms of higher technology and skills, with quality products.

"We have an edge there, because we have the scientific base, and can innovate and manufacture such products. That is something we accentuate. That is our contribution to the global markets."

On the subject of work education, Secretary Morton, in a recent address before the New England Regional Commission's Task Force on Capital and Labor Markets in Boston, pointed out that the Commerce Department has joined with the Departments of Labor and Health, Education and Labor to encourage the formation of work-education councils.

"The isolation of education from the work-a-day world," he said, "has resulted in a serious mismatch of job vacancies and skilled personnel to fill those jobs. We need to remedy this, and I welcome your leadership in this area."

He commended the New England Task Force for recommendations calling for the creation of a Journeyman's Advisory Council to work with the region's vocational-technical schools, and for a job forecast study which would identify the specific occupations in which labor shortages are likely to occur in the future."

"This will be of great value," he said, "to the Journeyman's Advisory Council in helping vocational schools develop courses which train students for the jobs that will be opening up."

He said "we are thinking of this Task Force as a model for other regions of the country."

With regard to the problem of regulations and controls, Eden commented that the testimony relating to the textile industry given at the hearing in Columbia, South Carolina, was "particularly glaring."

"I remember," he said, "that a witness described how the mills are required to operate at 90 decibels soundwise, and that he felt that this could not be accomplished now by any equipment of a practical nature known to man. Yet, he said, the decibel level is supposed to go to 85 in the near future.

"We asked him whether other competitive countries in the textile field had the same controls. He replied that they did, that Germany, England, France, and Japan had very strict controls, but that their enforcement agencies realized the practical limitations of the equipment available, and its cost, and were more realistic with their enforcement."

Eden said a Commerce Department team will hold hearings on the problem of regulations and controls in December in Cleveland, Minneapolis, Salt Lake City and Portland, Oregon.

"We are attempting," he explained, "to find what regulations are limiting the operations of a business, what regulations in terms of cost are hurting the most, how the businesses affected would suggest that they could operate with fewer regulations, and what responsibilities they could assume themselves."

He said that at the conclusion of these hearings the regulatory program would be reevaluated preliminary to making plans for 1976.

Eden commented that the chief gains in the hearings recently concluded is that "e we have hard, solid facts" on the basic difficulties and a stronger grasp on what is troubling the business community.

"We are going to break down all the testimony by subject matter," he explained, "collate the data presented and condense it into a meaningful form.

"That information then will be fed into the Commerce Department policy council for evaluation as to its impact on the things we have been doing in the Department, and perhaps the new things which we may undertake as a result of these hearings. With this procedure, we shall have good, solid, factual data on which to base our deliberations.

"In addition, we have promised to bring back to each of those communities in approximately six months a status report on what has happened in the government on the points that have been raised, what our position has been in the Commerce Department, the initiatives that have been taken by the Administration, or described in the State of the Union message, and what the outcome has been on Capitol Hill."

To provide feedback

"We are saying to the people who appeared at the hearings that we cannot necessarily, as one department of the executive branch of the government, guarantee that we can accomplish all of the positive suggestions that were brought up in the hearings, but that at least we can be accountable to them for the information that they have provided. Thus we feel very strongly that we were not there just to listen and leave, but that we were there to listen and give them some feedback.

"We are attempting to develop a dialogue so that people can feel that their government is more responsive to them."

Eden said that the officials concluded from the hearings that most of the businesses represented seemed reasonably strong. He was particularly impressed by the optimism expressed by the small businessmen who testified.

"Another thing that came out of the hearings," he commented, "is the significant importance of exports. Many of those who testified have a very active export operation, and rely on it very heavily for increasing their sales.

"It was very encouraging to recognize in the cities that we visited the strong impact that the field offices of the Commerce Department have made in stimulating exports. We heard some dramatic stories of the absolutely first-rate manner in which the Department field offices have stimulated the growth of exports, particularly for the smaller businesses."

Industry Highlights

Technology, More Leisure Time Boost Service Industries' Role

(Industry Highlights is prepared by the Bureau of Domestic Commerce.)

Economic recovery is expected to bring a new surge of growth in the service sector of the economy, and additional new service industries are likely to emerge. At the same time, widespread changes will take place in the service industries as they respond to new conditions and demands.

This is the conclusion of a 69-page booklet entitled *Service Industries: Trends and Prospects* prepared by Commerce's Bureau of Domestic Commerce.

The growing complexities of modern business, the publication comments, will stimulate increased demand for such business services as equipment rentals, employment agencies, legal services, and system management.

Home maintenance services are expected to expand significantly in the late 1970s as apartment living continues to increase sharply. The steadily growing proportion of women workers will provide expanded markets for labor-saving services. With a sizable increase in the number of elderly people in the next several years, larger markets are expected for home health services, medical services, leisure activities, small apartments, and retirement communities in warm-weather regions.

Service value equals manufacturing

The booklet points out that between 1960 and 1970 the dollar value of the nation's gross national product nearly doubled, with the service sector accounting for more than half of the gain. In 1970 production of manufactured goods accounted for more than half of all output, while the service sector's share was 37 percent. By 1970 the dollar value of manufactured production and services output had equalized, with each accounting for more than two-fifths of the entire gross national product.

Despite the current slowdown in franchising expansion, the report states that long-range prospects are favorable, since the franchising concept has proved successful in creating efficient new businesses to accommodate the needs of shifting consumer markets.

The publication then discusses future prospects for a number of individual service industries.

Advertising: Total advertising volume probably will match or slightly trail GNP growth throughout the 1970s with local advertising scoring the greatest gains. Local television, radio and newspapers are expected to increase their share of total advertising while direct mail, magazines, and national newspapers will continue to lose part of their share. Local advertising is expected to slowly become the dominant force in advertising.

The larger agencies, those few hundred accounting for nearly all national advertising, are expected to continue to grow just as fast, primarily because of their rapidly expanding international business and diversification into non-advertising ventures. Already, foreign business accounts for up to 25 percent of the very large agencies' sales. By 1980, some of these agencies probably will have worldwide sales of $1 billion.

Public pressure for truth-in-advertising and accountability will continue as advertisers and their agencies strive to construct advertisements which are effective sales tools without arousing the many public and private watchdog organizations.

Automotive services: Auto service receipts are expected to continue rising for the next several years despite moderating new car sales and increasingly cost-conscious consumers. Actually, such factors may help to sustain the high growth rate of auto services.

With consumers expected to keep cars longer, demand for automobile service and repair will continue to rise as consumers strive to keep their existing vehicles in good working order.

However, the auto service field still will be plagued by the continuing shortage of skilled mechanics.

Strong growth prospects also are in store for the parking and rental-leasing service sector as these industries continue to provide essential services to the nation's automobile drivers. The traditional parking lot will slowly be replaced by multistory structures as land values increase and the availability of city space diminishes.

Banking and other financial services: During the next few years the magic word in the field of banking will be competition. As thrift institutions enter new fields of endeavor unrelated to housing finance, as industrial and retail corporations venture into fields such as insurance, consumer and business financing, mortgage banking, and other financial services, and as consumers become increasingly more demanding, competition for banking customers will intensify.

Subjects relating to commercial banks will also probably be included in bank legislative proposals in the near future. Examples include the removal of interest rate ceilings from time and savings deposits, the granting of interest to demand deposits, the expansion of lending and investment powers in the real estate and community welfare and development areas, the introduction of corporate savings accounts, and certain reorganizational aspects of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Administrator of National Banks.

In the years ahead, some large, nationwide, multi-unit department stores that have become service conglomerates may establish themselves as the chief competitors of commercial banks in the field of consumer finance.

Educational services: Today's seventh-graders will be among those entering the teaching profession in the mid-1980s, knowledgeable about environmental problems, schooled from textbooks yet to be written, and well trained in the use of audio-visual materials. School finance reform will be needed in the years ahead to keep pace with rising costs of school services and high budget school projects necessary to implement successful, innovative teaching programs.

Career education increasing

By the end of this decade, school children probably will be learning metrics in arithmetic lessons. Because of limited enrollment opportunities for liberal arts college graduates in today's technically-oriented society, it is likely that enrollments in career-oriented courses in both two-year and four-year colleges will continue to rise in the next several years.

Health and medical services: The volume of health care spending in the next several years will be partly influenced by the growth and success of health maintenance organizations that emphasize the practice of preventive medicine and tend to eliminate costly, fragmented medical services. Also, medical costs may be reduced through increased surveillance of publicly-financed medical programs; improved health facilities construction planning; expansion of multiphasic screening centers; the training of additional physicians, nurses, and other health personnel, and possible research breakthroughs to treat costly chronic illnesses.

Furthermore, home-delivered health and medical services are now being increasingly recognized as an alternate, less expensive way to offer care to the elderly sick who do not require continuous institutional care. Experience with Medicare and Medicaid has shown that a mechanism that simply pays bills is not the answer to a problem calling for better systems of delivery, the report adds.

Hotels and motels: Though the gasoline shortage has eased in the last year, increased prices for fuel and the general economic slowdown will adversely affect extended highway travel. The recent trend

toward budget motel chains and franchising operations will probably continue strong, with the independent owner-operator having a smaller share of the market in the years ahead. The traveler is less likely to be making his own reservations, preferring to have some type of referral or reservation association service. The use of computers to make reservations will continue to grow.

To attract new customers, hotels and motels will be trying such new marketing devices as discount rates for senior citizens as well as children. This move, coupled with an increased push to capture the fast-growing group travel tours, should help boost occupancy rates.

The move of many motels to include restaurant facilities will continue in an effort to strengthen their survival capabilities in times of reduced travel.

Life insurance: In the next several years, life insurance companies will continue to introduce new kinds of policies to accommodate changing consumer needs. Some firms already have announced a new, low-cost, 'non-smoker' discount policy, charging lower premiums to abstainers.

Another innovative type of policy offers lower premium rates to women because of their greater longevity. One life insurance company recently announced a new policy series that includes a special term contract, renewable for seven years, which provides for a 20 percent discount on the first year's premium if it is paid at the time of application.

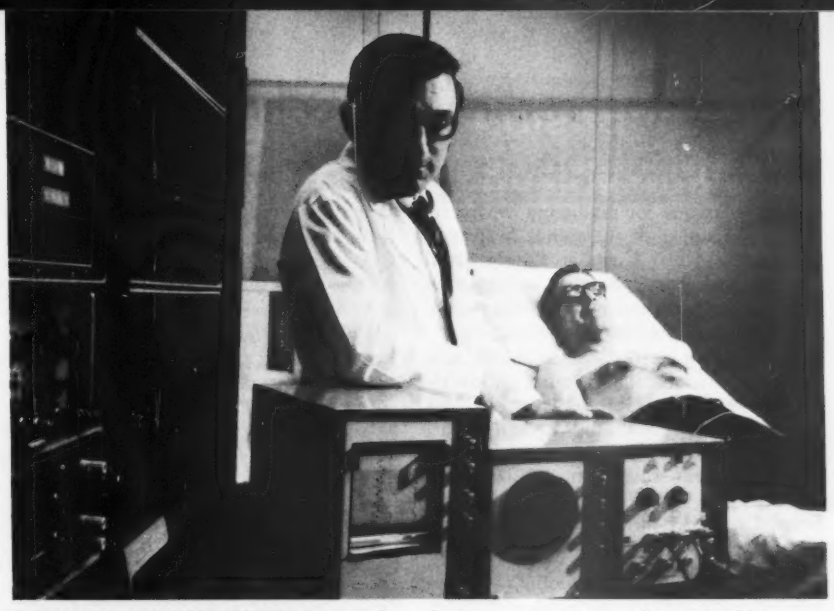
Motion pictures: Production of feature films is expected to be maintained at a high level in the next several years and the supply of films should be sufficient to meet the demands of exhibitors.

As population trends shift toward more singles, later marriages, later childbearing, and fewer children per family, there will be increased leisure time for entertainment activities in evenings and on weekends. A larger number of young people will be attending movie theaters than in previous years, less hampered by family responsibilities.

Competition for the recreational dollar may lead the motion picture production industry to enter the emerging cable television market, which would provide additional outlets for movies besides theaters and pay-broadcast television.

Wholesale trade: Changing market conditions and varying customer needs will demand more sophisticated operating methods and scientific management of wholesaling in the future. Adjustment to future changes will necessitate expanded capital bases which will in turn probably result in fewer and larger wholesale firms selling and servicing a variety of retail outlets, other industries, and institutions.

The number of companies using computers is expected to increase and the purpose for which computers are used will also multiply. Distributors may utilize the computer in market analysis and sales strategy to tie in with a total systems approach in fulfilling customer needs. Simulation models will probably be used to forecast markets and to provide alternatives for marketing and management decisions.



IMPROVED HEALTH CARE—*Increased emphasis on preventive medicine should improve America's health in the future. This minicomputer has a supersensitive 'ear' that supplements electrocardiogram exams to identify heart defects. General Electric's Research and Development Center expects the new technique to be in wide-scale use in a few years.*

Nonfood retailing: Department store retailers will continue to adapt to changing consumer needs in the years ahead. Employment will probably increase more moderately than sales because of the trend toward self-service and the increasing use of computers to perform time-consuming sales and bookkeeping procedures.

However, there will always be a continuing need for highly trained, experienced salespersons with product knowledge to demonstrate and sell big-ticket, high quality merchandise.

Broader product lines

Business costs for department store operation are expected to continue upward, partially reflecting the high cost of energy required for heating, cooling and lighting. Broader product lines needed to sell to expanding consumer markets will require more inventory investment.

Multi-unit chains, emphasizing mass distribution of merchandise to the cost-conscious consumer, will continue to predominate and increase their share of the total department store market.

Mail Order and Direct Selling: Direct and mail order sales will continue to expand rapidly. A more affluent and older population, with limited time for shopping at a retail store, will prefer to make purchases in the home. Ease of entry into direct selling should continue to offer enterprising people and companies an opportunity to provide a viable service. The field is expected to remain dominated by large firms using modern sales management and production techniques.

Apparel stores: Changing life styles of the American consumer through 1980 will be characterized by increased leisure, more free time, and more travel, the report projects. Informal living styles will be reflected in apparel lines by increased emphasis on sportswear and garments that can be used for a combination of events. Apparel stores are expected to multiply in the years ahead as they continue to diversify and specialize, concentrating on particular segments of the population.

Food retailing: The industry today is on the threshold of a major technological advance with the development and introduction of the Universal Product Code and the automated front-end.

The retail food industry is also at the forefront of another major technological advancement—electronic fund transfers. This system, involving the use of telephone lines and computers, debits the customer's bank account and credits the merchant's account for the amount of the transaction each time a sales takes place.

Restaurants and bars: Restaurant and bar sales are expected to increase because of changing American life styles that stress increased leisure time and greater mobility. Retirees and the growing young adult population with a high proportion of working women will be eating out.

Copies of the 70-page report, *Service Industries; Trends and Prospects,* are available at $1.40 per copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or through any Commerce Department district office.

Freezeup-Predicting Technique May Extend Shippers' Use Of Seaway

A new technique for predicting ice freeze-ups in the upper St. Lawrence Seaway is being used by Commerce's National Oceanic and Atmospheric Administration with the hope of saving time and money for shippers using the seaway.

The freezeup predictions tested for two years use mathematical equations developed at NOAA's Great Lakes Environmental Research Laboratory in Ann Arbor, Michigan, and are based on two quantities: the current water temperature at the mouth of the St. Lawrence, and the predicted December flow rate and associated heat loss in the river's 100-mile journey from Kingston to Massena, N.Y.

Using the data, NOAA's National Weather Service Forecast Office in Buffalo issues predictions of the freezeup on the first and fifteenth of October, November and December. Freezeup predictions two to three months in advance could provide shippers the necessary lead time to schedule vessels into and out of the Great Lakes before ice prevents the continuation of normal navigation.

Commercial shipping activity on and into the Great Lakes normally ceases three to four months each winter because of extensive ice cover on the channels between lakes and the St. Lawrence River. Until now operators of vessels using the seaway have been forced to assume the system above Montreal would not be open after December 15.

Ocean vessels must vacate the seaway system before it is closed or face the prospect of being locked in for three-and-a-half unproductive months.

Records show freezeups vary by as much as three weeks from year to year, and the new service will try to help shippers take advantage of the added time during years when the freezeup comes later than usual.

More than 50 countries presently use the St. Lawrence Seaway. With operating costs running between $3,000 and $5,000 per day for ocean-going vessels, more accurate predictions of the exact closing date at Massena could save thousands of dollars daily. In addition, taking necessary ice control measures at the proper time could prevent serious power losses and shoreline damage.

NOAA scientists are also developing techniques for predicting the ice breakup date in the St. Lawrence each spring.

New Dates For Hearings

There have been some changes in the dates of the public hearings Commerce has scheduled to learn what Americans think about important national issues and their proposals for resolving them. All members of the public are welcome to express their views.

The hearings on business regulation reform will be held in Minneapolis on Dec. 2, Cleveland on Dec. 4, Salt Lake City on Dec. 9 and Portland, Oregon, on Dec. 11. The Salt Lake City hearing has been added, and the one formerly scheduled for San Francisco cancelled.

Apparel Makers Urge Voluntary Flame Resistant Standards

The American Apparel Manufacturers Association has advocated voluntary marketing of flame resistant apparel by the nation's apparel manufacturers as an alternative to flammability regulations recently proposed in Massachusetts and California.

On behalf of its members, AAMA has pointed out the increasing trend toward voluntary marketing of flame resistant apparel for both adults and children that meets the new federal sleepwear standards. An AAMA survey has indicated that within the next year AAMA member firms will have begun development of flame resistant items in virtually every category of apparel.

The proposal now under consideration in Massachusetts seeks to regulate fabrics for all children's clothing under one of the two federal standards for children's sleepwear. In California, stringent standards covering all fabrics in use in hospitals in that state have been proposed. California has already adopted a regulation covering children's wear that is similar to the Massachusetts one.

AAMA has noted that previous petitions from both California and Massachusetts officials to the Consumer Product Safety Commission for adaption of the federal sleepwear standard to all children's wear were rejected.

The California flammability proposal would regulate all patient apparel and sheeting textiles used in that state's hospitals effective January 1, 1976. The AAMA states that adoption of more stringent standards would "eliminate from use . . . items that are now in widespread use, that have not demonstrated to offer an unreasonable risk from the hazard of fire and that cannot be readily replaced in commerce with complying products."

Fertility Study Completes Series From 1970 Census

Despite recent declines in both teenage marriages and childbearing among younger groups of American women, childbirth before and soon after marriage is on the rise. This information is based on a 1970 census report just released by Commerce's Bureau of the Census.

The report shows that among women who first married in 1965 to 1969, 620,000 had a first child before marriage, an additional 1,200,000 had one child within six months after marriage, and 4,800,000 conceived after marriage.

Among women first married in 1965 to 1969 and giving birth to a premaritally conceived child, the younger the woman was the more likely she was to marry before the birth of her child. However, the fact that a woman gave birth while single does not seem to have been a serious obstacle to eventual marriage. Almost 85 percent of unwed mothers born in 1930 to 1934 ultimately married.

In 1970, for the first time in any decennial census of the United States, information on childbearing was collected for single women as well as women who had married. The report, a major study of the fertility of American women, reconstructs patterns of family building for those groups of women born each year from 1920 to 1924 and women married for the first time from 1955 to 1969.

Copies of the report, entitled *Child-spacing and Current Fertility*, PC (2)-3B, the last in a series of 40 subject reports based on the 1970 census, are available for $8.35 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

New Books On Energy, Petroleum Published

Twenty-five books in the energy and petroleum fields have just been published by Noyes Data Corporation.

Among titles in the current series are: *Solar Energy for Heating and Cooling of Buildings, Energy from Solid Waste, Energy in the City Environment, Oil from Coal, Oil from Shale and Tar Sands, Offshore Drilling Technology, Ocean Floor Mining, Oil Spill Prevention and Removal Handbook, Liquefied Natural Gas Technology,* and *Pollution Control in the Petroleum Industry.* Prices range from $12.50 to $36.

For a listing of other titles, or an order blank, write: Noyes Data Corp., Mill Road at Grand Avenue, Park Ridge, N.J. 07656.

INSPECTION TOUR—*Four international association executives from Europe visited the United States recently under the auspices of Commerce's United States Travel Service. The U.S. presently gets only 6 percent of lucrative yearly meetings of some 4,000 international associations. USTS arranged the tour to introduce the decision-making executives to convention facilities and accommodations in Kansas City, Salt Lake City, Seattle and San Diego. USTS claims credit for obtaining 109 international congresses for American cities since beginning the program several years ago. Shown here at the Hotel Del Coronado in San Diego are (left to right): Andre Jacobs, International Union of Public Transport, Brussels; Ferdinand J. Oremeling, International Cartographic Assn., The Netherlands; Charles Ford, International Textile and Garment Workers Federation, Brussels; USTS's Edward Shedlick; and Wilhelm K. Webber, International Association of Conference Interpreters, Geneva.*

New Charts Offer Added Safety For Commercial Ships

The National Oceanic and Atmospheric Administration is adding data on an improved electronic navigation system, Loran-C, to 100 nautical charts this year. The move, long awaited by commercial shipping and recreational boaters, will provide a major assist in promoting safety at sea.

Loran—for long range navigation—is used by ships to plot their position. Loran-C is an improved version of Loran-A, which was developed during World War II, and is now widely used by commercial fishermen, the shipping industry and pleasure boaters.

Loran-C can operate under all weather conditions, whereas Loran-A signals are often disrupted by atmospheric disturbances. Its addition to nautical charts results from the establishment of coastal loran stations that enable the program to function. With the construction of these stations along the coast, the program to add Loran-C to nautical charts will now go into full swing. Loran-C will be printed on one side of the chart and, where appropriate, Loran-A, the older electronic navigation system, will be printed on the reverse.

The Loran-A system will continue to be used until the Loran-C program is fully in effect, probably in five years.

The Loran-C chart program is being carried out by NOAA's National Ocean Survey, which produces and publishes most of the nation's nautical charts. NOAA issues 960 separate nautical charts. Loran-C charts may be purchased for $3.25. Information regarding the charts and their purchase may be obtained from the National Ocean Survey, Distribution Division (C44), Riverdale, Md. 20840. The charts may also be purchased from National Ocean Survey authorized sales agents throughout the nation.

In a related move, the National Marine Fisheries Service is again making available to commercial fishing vessels safety placards on how to deal with emergency problems at sea. The placards will be suitable for posting aboard vessels.

Calendar For Businessmen

Dec. 1-3 — Andover, Mass. — Electronic Publishing conference, Institute For Graphic Communication Conference Center. For information, IGC, 375 Commonwealth Ave., Boston, Mass. 02115 (617-267-9425).

Dec. 3-5—Andover, Mass.—Laser Imaging In The Graphic Arts Conference, Institute for Graphic Communication Conference Center. For information, IGC, 375 Commonwealth Ave., Boston, Mass. 02115 (617-267-9425).

Dec. 4—New York—14th Annual Apparel Outlook Seminar, Americana Hotel. For information: American Apparel Manufacturers Assn., 1611 N. Kent St., Suite 800, Arlington, Va. 22209 (703-524-1864).

Dec. 8-9—Los Angeles—Risk Management of Oil & Gas Exploration seminar, Los Angeles Biltmore Hotel. Sponsor: The Wharton School, Univ. of Pa. For information, Ms. Heidi Kaplan, Dept. 14NR, New York Mgt. Ctr., 360 Lexington Ave., New York 10017 (212-953-7262).

Dec. 8-11—Los Angeles—Solar Energy seminar, Los Angeles Biltmore Hotel. Sponsor: Commerce's NTIS. For information, Ms. Heidi Kaplan, Dept. 14NR, New York Mgt. Ctr., 360 Lexington Ave., New York 10017 (212-953-7262).

Dec. 8-12—Research Triangle Park, N.C.—Basic Research & Development Parks course. Governor's Inn. For information, National Assn. of Industrial Parks, Suite 1110, 1800 N. Kent St., Arlington, Va. 22209 (703-525-5638).

Dec. 8-12—Milwaukee—Quality Engineering course, Ramada Inn. For information, American Society for Quality Control, 161 W. Wisconsin Ave., Milwaukee, Wisc. 53203 (414-272-8575).

Dec. 14-16—Andover, Mass.—Product Opportunities in Graphic Communications, IGC Conference Ctr., Andover Inn. For information, Institute for Graphic Communication, Inc., 375 Commonwealth Ave., Boston, Mass. 02115 (617-267-9425).

Dec. 15-16—New York—First National Metals Commodities Conference, Barbizon-Plaza Hotel. Sponsor: New York University's School of Continuing Education. For information, Ms. Heidi Kaplan, Dept. 14-NR, 360 Lexington Ave., New York 10017 (212-953-7262).

Traders Note Current Goals: Advancing World Trade Talks, Backing Multinational Firms

America's international business community, while concerned with the inflationary and recessionary problems that beset the entire economy, faces two special challenges of its own: pushing forward toward success in the multilateral trade negotiations in Geneva, and pushing back the global attacks on multinational corporations.

This was apparent in the discussions and declarations at the Nov. 17-18 convention in New York of the National Foreign Trade Council, the major annual meeting on the U.S. foreign trade scene.

Speaker after speaker alluded to the way in which the multinational firms, mostly U.S.-based, are now under fire at home as tax and job manipulators and abroad as exploiters of local resources. The convention's policy statement then led with a ringing defense of such firms, calling them "an essential creative and integrating element in today's interdependent world economy." It supported current efforts to draw up workable regulatory codes on multinational corporate activity, but insisted that they be voluntary and apply to government overseers as well as to the corporate managers.

On the Geneva trade talks, the delegates heard from the chief U.S. negotiator. The positions of the European Common Market countries, Canada, and the developing nations were also outlined.

Ambassador Frederick B. Dent, the U.S. Special Representative for Trade Negotiations, emphasized to the convention the importance of the current U.S. insistence, in the multilateral trade negotiations, of keeping industrial and agricultural bargaining tied together.

He explained: "The U.S. has had its agricultural policy 'revolution,' or perhaps I should say 'evolution,' to a basically free market and full production. Such a policy requires export market access on a competitive basis to sustain it, and to offer maximum supplies at anti-inflationary prices at home and abroad.

"This is not the case in other countries, where production is price-supported, domestic markets protected by arbitrarily floating import barriers, and exports subsidized.

"Such policies are rationalized on grounds of legitimate socio-economic objectives. We recognize and respect these objectives, but not beyond the point at which they unfairly disadvantage domestic sales in our market, or our exports. Again, this issue applies equally to agricultural and industrial trade.

"We have reserved no export promotion or import restriction, industrial or agricultural, from the bargaining table, labeled nothing as non-negotiable or sacrosanct, and we have suggested achieving the overall reciprocity called for in the Tokyo Declaration by negotiating on industrial and agricultural trade barriers in conjunction with each other, in order to reach a balanced and mutually satisfactory final agreement.

"We do not deny the need for steadier as well as freer markets, and are willing to negotiate on any reasonable proposals.

"For us, this issue boils down to a need for an agreed international means of controlling the home and third-market effects of export subsidies, and some measures of reasonableness in the administration of import controls.

"If a new agreement on the management of export subsidies is our objective just about everyone else in the world wants us to bring our 80-year-old countervailing duty law into GATT conformity by adding an injury test.

"We think the two aims are not incompatible. We recognize the difficulties in determining so-called export 'bounties or grants,' as required by our statutes, but we also think the GATT prohibitions on illegal export subsidies are so vague and unenforceable as to be virtually worthless.

"What we want is an internationally agreed code, which would spell out—not meaningless 'definitions' of subsidies as attempted in the past—but categories of export subsidy practices which are 1) acceptable because they are minimal (like trade fairs) or do not differentiate between products for export and products for domestic consumption; 2) unacceptable because they favor exports over domestic production; or 3) may be either because of the way they are intended or used (as for example, regional development aids)."

Economic Summit Has Recovery Theme

The spirit of the Nov. 15-17 economic summit meeting at Rambouillet, France, attended by President Ford and the heads of state of West Germany, Italy, Japan, the United Kingdom and France was reflected in a passage in the summary statement issued at its close:

"We came together because of shared beliefs and shared responsibilities. We are each responsible for the government of an open, democratic society, dedicated to individual liberty and social advancement. Our success will strengthen, indeed is essential to democratic societies everywhere. We are each responsible for assuring the prosperity of a major industrial economy. The growth and stability of our economies will help the entire industrial world and developing countries to prosper."

The leaders identified their most urgent task as working for economic recovery in their individual nations. They pledged to avoid further inflationary measures and restrictions on the flow of international trade. They proposed to complete the current multilateral trade negotiations by the end of 1977, and to achieve results soon in their discussions on export credit subsidies. They welcomed a U.S.-French agreement on monetary stability and acknowledged the need to move ahead on assistance for the developing nations and on overcoming worldwide energy disruptions.

Multilateral Trade Negotiations

This article is another in a series of reports on preparations for and notable developments in the multilateral trade negotiations, as prepared by the Commerce Department's Office of International Trade Policy.

GENEVA

The **MTN Tariffs Group,** focusing on the selection of a general tariff-cutting formula that would serve as a benchmark for the negotiations, was told by the U.S. delegation at its mid-October meeting that the U.S. would be able to undertake detailed discussion of alternative formulas after Jan. 1. The U.S. noted that in its consultations with the private sector there was a continuing major theme: the need to provide for substantially equivalent competitive opportunities, that is, greater equality of market access on a reciprocal basis. Questioned extensively on the negotiation significance of this concept, the U.S. replied that its position would be clarified during the renewal of discussion of specific duty-reduction schemes.

The question of special or differentiated procedures for tariff negotiations between the developed and developing countries was a second major topic of discussion. The U.S. received some praise from developing countries for its proposal that a cross-notification of priority product/tariff categories begin soon between developed and developing countries. This procedure would enable the U.S. and its industrialized trading partners to begin analysis of the extent to which developing country exports could be granted differentiated treatment under a tariff formula.

For example, subject to the Trade Act authority, the U.S. might be willing to make deeper-than-formula reductions on certain products of particular export interest to developing countries. In turn, the developing countries could begin to consider the requests of the developed countries. This proposal will be discussed in greater detail in the future. Next meeting: week of Feb. 8.

The **MTN Nontariff Measures (NTM) Group,** which oversees the efforts of the subgroups on technical barriers to trade, customs matters, quantitative restrictions and import licensing procedures, and subsidies and countervailing duties, met in Geneva Oct. 15-17. Suggestions were made that subgroups be established to deal with variable levies, minimum import prices, antidumping duties, and government procurement. No agreement was reached but the Group will return to this topic at its next session, presently scheduled for Dec. 3-4.

The Group also addressed a proposal for developing nontariff measure information for specific products on a tariff line item basis, which would facilitate comparing NTM and tariff problems for individual products. While the Group appeared to agree that such an approach might be desirable, many potential difficulties were raised. Foremost among these were the problems of developing agreed information on nontariff measures, the technical problems of quantifying NTMs, and the relative costs and benefits of having the GATT Secretariat undertake such an effort at this time. It was decided to request the Secretariat to comment on the technical aspects of the proposal prior to the next meeting.

The **NTM Subgroup on Quantitative Restrictions (QRs)** and import licensing procedures met Oct. 28-31 to discuss status reports by countries involved in QR consultations, possibilities for formulating additional procedures for bilateral and/or plurilateral negotiations, possibilities for working out a formula of automatic application for quantitative restrictions and import licensing procedures.

As a result of the continuing agricultural impasse between the U.S. and the EEC, the subgroup failed to reach agreement on procedures for continuing consultations on QRs affecting agricultural products. The European Community feels that procedures for agricultural trade problems should be dealt with separately in the Agriculture Group, while the U.S. believes that they should be dealt with concurrently in the Agriculture Group and other negotiating groups.

However, the subgroup did receive status reports of the continuing consultations between countries maintaining QRs and those affected by such measures, as well as proposals by developing countries for special and differentiated treatment of QRs affecting their products.

In a statement on the status of the consultations, the U.S. reported that it has requested consultations with 35 countries, has received requests from 14 countries and has held consultations with 8 countries. The U.S. stated that the consultations, while proceeding more slowly than desired, have proved to be useful and should continue until all requested consultations have taken place. The U.S. believes it would be premature to elaborate on the subgroup's future work program until the results of the consultations are reviewed.

With respect to import licensing procedures, the U.S. urged that automatic licensing systems, such as those used for statistical purposes, should be eliminated because their objectives can be accomplished by other means, and they can be used to restrict trade. To accomplish this, the U.S. proposed the acceptance of a previously drafted text which calls for the elimination of automatic licensing systems. Other delegations maintained that such licensing systems are necessary and do not act as a barrier to trade so long as they are not used to restrict imports.

The subgroup also discussed another previously drafted text as well as comments submitted to the GATT Secretariat proposing alterations to both texts. The objective of these draft texts, in addition to eliminating automatic licensing systems, is to minimize the restrictive effects of licensing procedures through the harmonization of forms, of certification requirements and of other formalities relating to publication of information and processing of applications.

The **MTN Sectors Group** held its third round of discussions the week of Nov. 3 to consider four agenda items: the possible expansion and refinement of the GATT Secretariat's study of ores and metals; the possible expansion and refinement of the Secretariat's study of sectors of interest to developing countries; the U.S. proposal to initiate studies of the chemicals, heavy electrical equipment and electronics sectors; and a Canadian proposal to initiate a discussion of a sectoral approach for copper and copper products.

General agreement was reached within the Group to proceed with a substantial expansion and refinement of the ores and metals study, involving the updating of the current data and the addition of new data series. Agreement was also reached to expand and refine the study of sectors of interest to developing countries. Particular emphasis was given within this context to refining the study of the wood and wood products sector by dividing the study into coniferous and non-coniferous wood.

There was initial strong and widespread opposition, however, to the U.S. proposal for the three additional sector studies. This opposition centered on the reluctance of many delegations, and in particular the developed countries, to move too rapidly on selective sectors. The delegations argued that the sectoral approach is a complementary technique, consideration of which should be deferred until progress is made on general solutions in tariffs and nontariff measures. After further consultations, however, a compromise agreement was reached under which data compilations would be initiated on all major sectors not yet covered by the Secretariat. These studies would include the three sectors requested by the U.S.—chemicals, heavy electrical equipment, and electronics.

A Canadian proposal to discuss the possibility of a sectoral approach for copper was opposed vigorously by the EEC, Japan, the Nordic countries and the Swiss as being premature and drawing conclu-

sions from an incomplete collection of data. These delegations also stressed again that sector negotiations are a complementary technique that should await the development of general solutions in the Tariff and Nontariff Measures Groups. The Group decided to defer further discussion of the Canadian proposal until their next meeting, sometime in mid or late March.

The **MTN Tropical Products Group** met Oct. 20-23 and agreed that since tropical products is a special and priority sector as set forth in the Tokyo Declaration, initial offers should be tabled by March 1 by all participants to whom requests have been made.

The U.S. agreed to this target date, but with the proviso that U.S. offers will be contingent on our domestic prenegotiations procedures having been completed by that time. The period between now and March 1 will provide opportunities for further clarification and examination of the request lists, for providing preliminary substantive response to the LDCs requesting concessions, and for discussing reciprocity. The next meeting of the Group is set for February 10.

The **Subgroup on Dairy Products** met Oct. 13-17 and analyzed the structure and characteristics of world dairy trade including the varied support systems and trade measures applicable to such commodies. A country-by-country review of specific export and import measures on dairy products also was carried out on the basis of documentation supplied by the GATT Secretariat.

The **Subgroup on Meat** held its second meeting from October 6-10. Following a work program which was agreed at an earlier meeting in June the subgroup undertook an analysis of the specific characteristics of the structure and the problems of world meat trade. The U.S. emphasized the destabilizing effect of continued lack of access to certain major import markets. As part of the analysis the subgroup also examined and discussed specific export and import measures affecting world trade in meat and live animals maintained by the major trading nations.

The subgroup will continue this work when it meets again Feb. 2-4.

The **Subgroup on Grains** at its third session on Oct. 20-23 continued its discussion of the three interrelated categories of price and market stabilization and trade liberalization, as well as topics of particular interest to developing countries. An initial examination of an EEC proposal for a commodity agreement on grains which was tabled at an earlier meeting was made.

The United States made a proposal for participating countries having definite negotiating interests in grains and which have a direct bearing on trade to notify such measures to the GATT Secretariat. Once such notifications had been made, the subgroup would consider them and analyze their impact on international trade in grains. This proposal was not examined in detail, but will be considered at the next meeting which is to begin Jan. 21. A GATT Secretariat paper which details import, export and domestic policy measures in the grain's sector on a country-by-country basis also will be examined at the January meeting.

WASHINGTON

President Ford announced on Nov. 11 the appointments of 36 members of his blue-ribbon **Advisory Committee for Trade Negotiations.** The Trade Act of 1974 provided for the establishment of such an overall policy advisory group from all segments of the community. Its members, who will serve for two years, are:

I. W. Abel, United Steelworkers of America, Pittsburgh; W. J. Amoss, Jr., Lykes Bros. Steamship Co., Inc., New Orleans; Paul C. Baldwin, Scott Paper Co., Philadelphia; James H. Binger, Honeywell, Inc., Minneapolis; David W. Brooks, Gold Kist, Inc., Atlanta; Alex Chisholm, L & M Radiator, Inc., Hibbing, Minn.; Morton H. Darman, Top Co., Boston; W. D. Eberle, Motor Vehicle Manufacturers Assn., Washington; Murray H. Finley, Amalgamated Clothing Workers of America, New York.

Peter M. Flanigan, Dillon, Reed & Co., Inc., New York; Philip O. Geier, Jr., Cincinnati Milacron, Inc., Cincinnati; David H. Gezon, Gezon Motors, Grand Rapids, Mich., and College Mall VW, Bloomington, Ind.; Maurice R. Greenberg, American International Group, New York; Stanley Joseph Glod, Attorney-at-Law, Washington; Nathaniel Goldfinger, Research Department, AFL-CIO, Washington; Daniel L. Goldy, International Systems & Controls Corp., Houston; Ruth Hinerfeld, League of Women Voters of the U.S., Larchmont, N.Y.; Robert M. Ivie, Guild Wineries and Distilleries, San Francisco.

Harvey Kapnick, Arthur Andersen & Co., Chicago; Simon Katz, New York Merchandise Co., New York; Elmer R. Kiehl, College of Agriculture, University of Missouri, Columbia, Mo.; William J. Kuhfuss, American Farm Bureau Federation, Park Ridge, Ill.; Ralph Lazarus, Federated Department Stories, Inc., Cincinnati; William Lazer, Graduate School of Business Administration, Michigan State University, East Lansing, Mich.

Franklin A. Lindsay, Itek Corp., Lexington, Mass.; C. J. Medberry, Bank of America, San Francisco; Steven L. Osterweis, Associated Merchandising Corp., New York; Charles H. Pillard, International Brotherhood of Electrical Workers, Washington; Shelby Edward Southard, Cooperative League of the U.S., Washington; William E. Timmons, Timmons & Co., Inc., Washington; Roy Utke, Sunkist Growers, Inc., Sherman Oaks, Calif.

Gordon Van Vleck, American National Cattlemen's Assn., Plymouth, Calif.; C. William Verity, Jr., Armco Steel Corp., Middletown, O.; F. Perry Wilson, Union Carbide Corp., New York; Leonard Woodcock, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Detroit; Don A. Woodward, National Assn. of Wheat Growers, Washington.

The interagency **Trade Policy Staff Committee** has decided that the advice and data it received from the industry, agriculture and labor advisory programs, from U.S. International Trade Commission hearings and from other sources, raised questions that require further study and consultation. For example, the committee believes that many of the tariff descriptions of the Tariff Schedules of the United States (TSUS) are obsolete and need to be rewritten. It must therefore assess to what extent the modernization of the TSUS relates to the trade negotiations. The committee is also putting together lists of export priorities which the U.S. should seek as concessions from other countries. These country lists would encompass products at the foreign tariff line level which the U.S. believes have a strong export potential, but for which there has not been equivalent market access, either because of foreign nontariff measures or high tariff levels.

CONSULTATIONS PROGRAM

The **Industry Policy Advisory Committee** (IPAC) will meet on Dec. 2 to discuss some of the MTN and trade policy issues of interest to the 26 **Industry Sector Advisory Committees** (ISAC). At its October meeting the IPAC was briefed by the 26 ISAC chairmen on MTN and trade policy issues of interest to their respective committees.

Twenty six Industry Sector Advisory Reports (ISARs) have been sent to the U.S. MTN delegation in Geneva where they are being utilized by the negotiators. In addition, they are being reviewed and analyzed from several viewpoints, including a functional (tariff and nontariff), geographic and product basis. ISAC 27 (Retailers) members have received a draft of Part I, Industry Status and Outlook, of their ISAR.

ISAC 18 (Heavy Electrical Equipment) met Nov. 12 to consider and comment on the draft standards and government procurement codes, as well as the issue of subsidies/countervailing duties. ISAC 22 (Communication Equipment and Non-Consumer Electronic Equipment) met Nov. 18 to receive a report from Commerce's Office of Telecommunications on the impact of technological developments in the communications industry.

Trade Fairs, Centers

U.S. Exhibitors See Further Growth In European Markets For Components

U.S. electronic components manufacturers found continuing favorable markets in two industrialized West European nations early this fall.

At the U.S. Trade Center for Scandinavia in Stockholm, 47 firms were represented; at the U.S. Trade Center in Frankfurt, 31. Six of the companies participated in both events. Microprocessors, microcomputers, potentiometers, semiconductors, integrated circuits, diodes, transistors, connectors, wire wraps, relays and switches, and circuit boards were among the products shown.

Key Swedish buyers attend

In Stockholm, according to a U.S. Embassy report, "a very high percentage of all key Swedish buyers of electronic components attended." More than 2,000 sales leads resulted.

The United States is the leading supplier of components to Sweden, the largest market in Scandinavia. Exports to Denmark and Norway also have been increasing at a good rate. Sweden's imports reached some $40 million in 1974 (double the 1973 figure), and preliminary indications for 1975 are favorable. Products in which U.S. suppliers are strongest are monolithic digital and analog circuits, rack and panel connectors, fixed capacitors, traveling wave electron tubes, silicon zener diodes, and coaxial connectors.

John Alander, Scandinavian sales manager of RCA International, who projects first-year sales by his company as a result of the show at $25,000, reported: "Following-year projection could be several mutiples of first-year projection. . . . Impossible to estimate sales increase, but number of sales in Sweden very encouraging."

The Stockholm event's floor sales totaled $163,200; the 12-month sales estimate, $3.4 million.

Appraisal from Frankfurt

U.S. electronic components are a leader also in the German marketplace, but exhibitors at the Frankfurt exhibition pointed out that their competitive edge has been somewhat dulled because U.S. manufacturers have not switched to metric specifications—now used in all countries of the European Economic Community. Floor sales fell short of those in Stockholm, but orders in the next 12 months are expected to approach some $11.8 million.

When asked, "What makes your equipment especially competitive in the German market?," exhibitors disclosed that very advanced technology, design and packaging, price, parts and service, economy and efficiency in operation, and off-the-shelf delivery were the major strong points for not only their products, but those of most American manufacturers of such items. Although all exhibitors agreed that gold-price variations and fluctuations of the dollar vis-a-vis other currencies have produced some uncertainties, American manufacturers still enjoy the advantage of the lower value of the dollar in the European marketplace. In Europe, major competition comes from German, Dutch, British, French, and Swiss firms.

The components industry will always be a changing and expanding one in direct relation to the growth in technology in the electronic hardware, microprocessor, minicomputer, and computer fields. Thus, it is unlikely that demand for components will wane over the next decade. Developments will lie in the miniaturization of certain components for microprocessors for the automobile and other consumer electronics such as washers, dryers, radio, TV, and stereo systems. Application of these developments, expanded into the almost limitless consumer electronics market, asures a long and prosperous growth in electronic components.

ELECTRONIC COMPONENTS SHOWS—*At Stockholm U.S. Trade Center, two Swedish agents (from left) representing four U.S. firms demonstrate a component as Richard G. Johnson of the U.S. Embassy, Trade Center Director Walter E. Stadtler, and honor guest Prof. Peter Weissglas of Stockholm Royal College of Technology listen. At Frankfurt Center (photo on right), M. Jonas (left), Elite Semiconductor Products, and R. Delcamp (center), Singer Products, discuss with customer their power transistors, rectifiers, and assemblies.*

BRNO ENGINEERING FAIR—*Exhibition visitors gather around Parker Hannifin Corp.'s booth at Usatech 75. Cleveland firm supplies pneumatic power and hydraulic controls.*

U.S. Firms At '75 Czechoslovak Fair See Good Prospects Throughout Area

U.S. exhibitors at the recent International Engineering Fair in Brno turned up more than 900 sales leads, mostly in Czechoslovakia but also some in Hungary, Romania, and Bulgaria.

Process controls and material test equipment were selected as the focus of this year's U.S. exhibition, primarily because the market in Czechoslovakia for such products is expected to grow rapidly as the country's economy expands. Also, the United States is considered a leader in the field.

The trend was underscored by the sales totals during the show—almost $204,000 worth were reported by the 21 U.S. participants.

Some of the items that drew sales interest were converters, analog modules, sensors, spectrophotometers, nuclear valves, pressure transducers, and traffic counters. Exhibited equipment that did not attract buying interest included certain integrated circuits, a breath alcohol detector, tube fitting, automatic monitor, and process controller.

The Illinois Department of Business and Economic Development cooperated with the U.S. Department of Commerce in recruiting exhibitors for this show. Of the 21 exhibitors, four were from Illinois. The Illinois agency is one of the most active among state organizations in assisting with recruitment for overseas Commerce exhibitions.

In Czechoslovakia, the end user often is the key to making a sale, though this situation varies among industries and products. Relatively low-priced goods will often be purchased at the discretion of the appropriate Foreign Trade Organization to satisfy orders from end users. The FTO may buy particular brands specified by their customers or they might group a number of small orders together and buy one product for all—the chief determinants being price and after-sales service.

The annual Brno engineering fair is one of the largest international trade fairs in Eastern Europe. Visitors at the 17th renewal in September totaled about 340,000. Attending the U.S. exhibition—USATECH 75—were an estimated 30,000, of whom 1,500 were trade visitors.

Shipbuilding Display At Singapore Center Finds Lively Market

A continuing lively level of shipbuilding and ship repair activity in Singapore and Southeast Asia is reflected in the results of a recent exhibition of shipbuilding equipment at the U.S. Regional Trade Center in Singapore.

Thirteen U.S. firms, most of them new to the region, took part, reporting immediate sales and those projected over the next 12 months at some $5.4 million. By the show's close, seven representation agreements had been concluded for various countries in the region and 11 more were under negotiation. A series of seminars by individual exxhibitors attracted an audience of more than 300.

Visitors from all around

Although shipbuilding and repair in Singapore are beginning to feel the pinch of the worldwide recession and increasing competition from other countries, business remains brisk. Managers do not normally take time out from their yards except for good reason; many of them must have felt that the U.S. show would be worth the trek to town, as shipyard executives figured high on the visitor list. Seventy visitors came from countries other than Singapore; the largest outside delegation was from Indonesia.

Exhibits covered a wide range, from chocking compounds and safety helmets to hydraulic systems for ultra-heavy-load moving in shipyards. Among the products displayed, greatest interest was shown in such items as gripper jacks, straddle cranes, pipe bending machines (non-computerized), special types of valves, electric and gas welding and gas cutting equipment, and miscellaneous hydraulic devices.

Shipbuilding and repairing has become the country's largest employer, with a workforce of 24,000. The industry also is gaining in importance in three other Southeast Asian countries—Malaysia, Indonesia, and the Philippines. Industry representatives are generally optimistic about long-term prospects, pointing out that the worldwide slump in shipbuilding mainly affects builders of large craft and tankers, while Singapore's yards specialize in small craft—tugs, patrol boats, general cargo vessels, barges, oil rig supply vessels, and oil rigs. Nevertheless, building is likely to be relatively limited for the next year or two, as a result of excess tonnage in world shipping, and the proportion of new building to repairs in Singapore is expected to remain about the same—one-third building, two-thirds repairs.

The country, which boasts six large-scale repair docks—two each in the 100,000-, 300,000-, and 400,000-ton categories—is well situated to get a major share of the region's tanker repair business, and its services, such as water and electricity, insurance, tugging, and other port services, are said to be the best in the region. Thus, the long-term outlook for both ship repair and shipbuilding seems reasonably bright.

Mexican Construction Programs Signal Equipment Needs, U.S. Show Indicates

Because of Mexico's basic infrastructure needs and rapid population growth, construction is likely to remain one of the country's most important activities. Investment in construction, at $6.4 billion in 1974, is expected to be between $9.6 and $12 billion by 1980.

Twenty-six recent participants in an advanced building and construction equipment exhibition at the Mexico U.S. Trade Center sold $165,200 worth of such equipment off the floor and are estimating their sales in the next 12 months at $24.4 million—$23.7 by the 21 new-to-market firms.

Mexican interest in earthmoving, road construction, and other such equipment is high and the major American manufacturers are well established in the market. In the show, products of this nature, such as an asphalt paver, ditchers, loader-backhoes, and front loaders, drew much visitor interest and accounted for most of the off-the-floor and potential sales. Technologically-innovative items such as the laser surveying equipment also drew favorable response.

The picture for building machinery—such as pneumatic nailing and stapling equipment, roof truss systems, concrete forms—is much more complex. Importation is a problem if a similar product is manufactured locally. For prefabrication lines, in particular, a joint venture or licensing agreement would be a more likely means of providing market access. Visitor response to similar items in the show, especially hand tools, ranged widely, but was on the whole positive.

Construction in Mexico is characterized by modern technology adapted to local conditions, two of which are the availability of cheap materials and the use of labor-intensive methods. Almost all materials and an increasing amount of machinery and equipment are manufactured or assembled locally. This closes the border to imports of competing lines. Additionally, temporary restrictions in the import licensing system are currently limiting the possibilities of importing U.S. goods.

Annual consumption of construction and building machinery and equipment is expected to increase from $30 million in 1973 to $43 million in 1977. The share of U.S. products, 60 percent of all imports, should go from $10.2 million to $25.8 million over the same period. Major foreign competition comes from the Federal Republic of Germany, Italy, and the United Kingdom.

U.S. Firms At Energy Equipment Show, Taipei, See Continuing Large Sales

U.S. manufacturers of energy systems equipment, already recording favorable sales in Taiwan, should continue to maintain a substantial share of the market in the foreseeable future.

This appraisal followed a recent exhibition of generation and transmission equipment, pumps, valves, compressors, and measuring and controlling instrumentation at the U.S. Trade Center in Taipei.

The economy of the Republic of China has continued to grow in the past year, despite problems created by the world energy crisis. The country's rapid industrialization and a decision to complete ten major government-sponsored construction projects which will further strengthen the infrastructure assure future growth. Thus, demand for efficient, dependable and economical energy will continue to expand.

U.S.-manufactured gas turbines and diesel-engine generator units in the 100- to 1,000-kilowatt range are expected to sell well as a result of their quality and versatility. Such power ranges may be used as main systems on off-shore drilling platforms or as standby systems in certain large plants. Building codes in Taiwan now require that all new high rises be equipped with standby generating facilities. With the rapid growth of such construction in the major cities, U.S. equipment is expected to be in demand, competing in price and quality with similar Japanese products. As for transmission equipment, of particular interest to visitors were the high temperature tolerance cables for large facilities such as steel mills and petrochemical and glass plants.

Centrifugal, vertical, and horizontal pumps for industrial use will continue to sell well. Simple low-pressure pumps are produced locally but are not considered reliable for on-line process operations. Domestic manufacturers and Japanese suppliers enjoy competitive price advantages, but U.S. manufacturers hold a favorable market position for the sale of corrosion-proof, high-pressure, high-temperature, on-line process pumps and multi-stage, reverse osmosis pumps. U.S. combination pressure-reducing and check valves with low-flow controls are expected to be good sales items. Compressors above 100-horsepower capacity are likely to sell well.

As manufacturers in Taiwan are emphasizing quality control and efficiency in production, demand for high-precision measuring and controlling instrumentation has increased, and the U.S. product is highly regarded for its accuracy and durability. Plant managers often note that Japanese instrumentation, though less expensive, requires more frequent recalibration, and U.S.-made equipment is often used to recalibrate such instruments from Japan.

ENERGY SYSTEMS SHOW, TAIPEI—*John Hsu (left), Chiao Ho Enterprises, representing Rain Bird International, Glendora, Calif., explains functions of firm's sand separators as potential buyers watch plastic demonstration unit in action.*

Worldwide Business Outlook

Best Route To West Japan Is Direct, Not Via Tokyo

Western Japan—producer of $125 billion in annual GNP, home of the vast Toyota auto plant and major steel mills and drydocks, and obviously a tremendous customer for U.S. exports—does it have to be considered a separate market by American businessmen, or can it be reached effectively through Tokyo?

For most products, American manufacturers and exporters should treat this Kobe-Osaka-Nagoya area as a market separate and independent of Japan's Tokyo complex. Arthur Miyakawa of the Bureau of International Commerce explains why in a report prepared with the assistance of U.S. commercial officers in the Osaka-Kobe Consular District.

What is important and distinguishes the area, he notes, is that most buying decisions for Western Japanese markets are made or influenced by executives and technicians living there. Compounding the marketing problem for Americans is that many of these key personnel do not, and probably feel little need, to visit, for example, exhibitions held in Tokyo. Consequently, to reach these decision-makers, a well-coordinated, hard-headed, direct promotion aimed at Western Japan rather than one managed by remote control from Tokyo is a prime requisite.

Even for those firms accepting the importance of Western Japan as a major potential market for U.S. exports, there is reluctance to plan for trade promotion on the thesis that the head offices of most firms are now in Tokyo and therefore key decision-makers reside there. Actually, however, a Japanese decision to buy foreign goods entails a much broader scope.

Making the buying decision

Buying decisions, like other decisions in Japanese companies, differ substantially from those similar in American organizations for they are usually effectively made before reaching the Japanese equivalent of the U.S. executive responsible for similar decisions. Procedures naturally vary according to the product, industry, and individual business organizations but the decision-making power is invariably more decentralized and requires participation and approval of more people than similar decisions in American companies. For example, an estimated 90 percent of all large Japanese companies follow a decision-making system based on group decisions where proposals are passed upwards and horizontally to all who are concerned. Thus, whether a large manufacturing organization calls its Tokyo staff its "Head Office" is usually irrelevant to influencing the process leading to a decision to buy equipment for use in Western Japan. Similarly, one of the great Japanese trading companies, the top ten of which account for something over 60 percent of Japan's total imports, may have its Machinery Buying Sections in Tokyo and its Textile Buying Section in Osaka and, to add further to the confusion, call either or both its Osaka and Tokyo offices, the "Head Office." Analysis based on the nature of Japanese decision-making with its emphasis on widespread participation, consensus, and with ideas and actions flowing from the bottom up usually means that many and often all individuals who can influence purchasing decisions for Western Japan actually reside in Western Japan.

Letters of credit are frequently issued out of the Tokyo office but this fails to identify the units responsible for recommendations leading to the decision to buy. For administrative reasons, especially where import allocation certificates are still required, quicker action sometimes results from filing with the Ministry of International Trade and Industry in Tokyo rather than at the Osaka Bureau.

Commerce promotions aid sellers

Commerce strategy is to offer the U.S. businessman a total approach to selling in Western Japan and to offer the Japanese businessman a total approach to increasing his profits by buying American products, services and technology. It is essential, therefore, to physically bring products, technical knowledge and printed material to Western Japan to influence key or ranking personnel to favor American products over other imports. Successful efforts to sell many American products in Western Japan call for promotion specifically aimed and directed at that market. Establishment of a small but extremely active trade center, the American Merchandise Display in Osaka (AMDO), two and a half years ago supports this concept and now permits all commercial functions of the consular district to be associated and coordinated with AMDO operations.

Over the past year, the four Japanese professionals assigned to the consular office have established a program of action designed to promote trade opportunities and AMDO shows. The result has been full utilization of AMDO represented by displays, catalog shows, seminars and other promotional events. The effectiveness of the center is unquestioned, for AMDO, with only 2,100 sq. ft., has attracted 28,000 visitors to more than 150 shows, which have generated $3 million in immediate sales and more than $135 million in projected sales.

Space in AMDO is available free of charge to the Japanese importer or Amer-

AMERICAN MERCHANDISE DISPLAY IN OSAKA—*This small trade center has been quite effective in bringing American products to the attention of buyers in Western Japan.*

ican exporter to exhibit, find agents for, or sell directly the American product on display. Conversely, in scanning opportunities for AMDO shows, the Japanese importer is made aware of Commerce's Trade Opportunities Program, which is designed to find new, competitive U.S. products for sale in Japan. This two-way program has resulted in successful sales of a wide variety of both industrial and consumer goods desired by Japanese importers.

The expected merging in 1975/76 of a number of economic factors would make that a key period and one leading to encouraging a substantial movement of U.S. firms into the Japanese market. By the first quarter of next year, more definite signs should be established pointing toward recovery from Japan's most severe postwar slowdown. The substantive results of the realignment of international exchange rates, concrete steps toward liberalization already taken by the Japanese Government, and coming removal of import controls on two major items of interest to American manufacturers and exporters, computers and peripherals, should facilitate efforts to take advantage of the expected renewed growth in demand for imports. With recovery more clearly established, exports of these items should easily exceed the estimated $250 million of last year. Furthermore, both Japanese businessmen and government officials, reflecting a change in psychological climate, appear more ready to proceed seriously with increasing foreign imports and foreign participation in the Japanese economy. Added to these positive factors are the continuing rise in wages and continued drive toward a higher standard of living. Both the total level and nature of U.S. exports to Japan, consequently, could begin to shift by the end of 1976.

Investment liberalization continues

With the exception of the four sectors designated for case-by-case study by the Japanese Government, i.e., agriculture, forestry and fishing; mining; petroleum and petroleum products; and leather and leather products, all other industries will be fully liberalized by next spring. To date some 90 American firms have entered into joint venture activities with Japanese companies in the Consular district and because of the area's economic and commercial importance, should attract additional American-Japanese unions. Joint venture firms recognize that the "Japanese partner owns the market and the American partner the products and each is making only half the contribution to a successful joint enterprise."

Frustrating and difficult as it may be, the market and opportunities in this district are wide and the companies which prepare fully are more likely, as always, to succeed.

Romania Reaffirms Industry Priority, Looks To West For Latest Technology

As it completes the current Five-Year Plan and looks forward to the next plan period, Romania maintains its emphasis on rapid industrial development, while committing larger sums to investment in agriculture. The principal limiting factor, a shortage of hard currency to sustain required industrial imports, persists, due to softness in Romania's export markets and flood damage in July to export crops and industries. Nevertheless, by restricting domestic consumption and less-essential imports, Romania continues to import much capital equipment and technology from Western countries, especially for export industries.

The U.S. Embassy in Bucharest notes that Romania's economic policy has long given top priority to industrial development. According to official statistics, Romania's highly centralized, state-owned economic system continues to sustain one of the world's highest rates of growth in gross industrial production, averaging 14 percent per year for 1971-75. Romania channels nearly one-third of its national income into investment, chiefly in industry.

Directives for the 1976-80 Five-Year Plan make it clear that this emphasis will continue, with the target for the average annual rate of growth in industrial production fixed at 11.2 percent. In July President Ceausescu also called for increased efforts to economize in the use of energy and raw materials, especially imports, and to improve the quality as well as quantity of exported manufactured goods. The Plan continues to give heavy emphasis to investment in manufacturing facilities for export, and much of Romania's imports must be justified on that basis.

Industrial production ran into difficulties in 1975. Some export-oriented factories were damaged by the serious July floods, and others reduced production for lack of export demand. There were efforts to counterbalance these production losses by increasing working hours at undamaged installations, but it is not clear that the original targets can be attained.

Romania's agricultural sector is vulnerable to extreme weather conditions and has therefore had difficulty in meeting Plan targets. Following a drought in 1974 which reduced production of grains (Romania's most important crops), the 11th Communist Party Congress called for significant increases in investment in agriculture, particularly in irrigation facilities. Several major projects were already planned and are now getting under way, including one financed by the World Bank.

Agriculture suffered another setback from the floods. Vegetables grown for export, thousands of livestock, part of the almost-ripe wheat crop, and some of the feedgrain crop were lost.

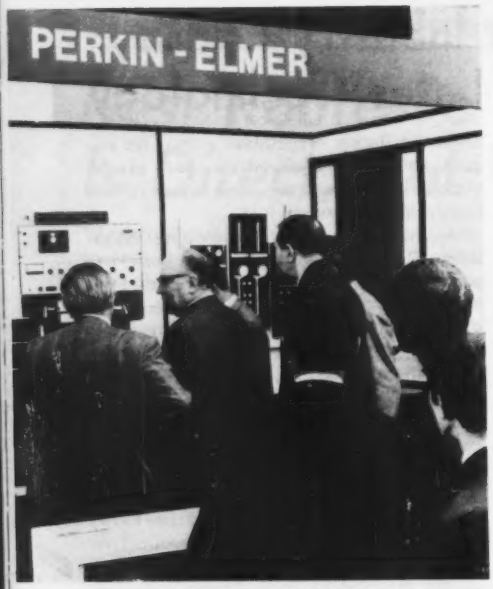
As in other rapidly-developing countries, Romania's foreign trade has expanded greatly from year to year. Further growth is planned and is necessary if Romania is to import the high-technology capital goods needed for investments under the 1976-80 Five-Year Plan. In expanding its trade, the Romanian Government has tried to limit foreign borrowing and to finance imports primarily by maximizing export earnings. Nevertheless, according to official statements Romania's hard-currency deficit increased in 1974, primarily due to imports for productive sectors.

This may be an even harder year for Romania's balance of payments, given the production losses in the export sector of both industry and agriculture. Remaining agricultural export earnings may be partially offset by the need to import feedgrains again. The floods even destroyed some stocks of imported raw materials.

Consequently, the Romanian Government has called for a review of current imports, and where possible, for cancelling, delaying delivery or stretching out negotiations for goods not yet delivered. Since many of the planned imports are raw materials or capital goods for the export sector, these imports cannot be interrupted for long without affecting investment targets for the Plan and future export potential. So far the measures taken in response to floods and other adverse developments continue to be justified in terms of achieving 1971-75 Plan targets ahead of schedule, and there is no indication that future targets will be reduced. Many high-priority imports are continuing as scheduled and resumption of others seems likely soon. Meanwhile pressures to export, especially to the United States, will continue.

Restructured trade relations

The passage of the U.S. Trade Act of 1974 established a new basis for trade relations with Romania. A bilateral trade agreement, providing for nondiscriminatory tariff treatment and a variety of other basic understandings on commercial relations between the two countries, was negotiated in early 1975, approved by the U.S. Congress, and put into effect during the visit of President Ford to Romania on Aug. 3. Congressional approval of this agreement also permitted the resumption of Export-Import Bank, Commodity Credit Corporation, and Overseas Private Investment Corporation credits for U.S.



INTERESTED ROMANIANS—*High technology products in an area of immediate need accounted for the success of this U.S. exhibition of industrial process controls and instrumentation which was held in Bucharest.*

business, restoring U.S. suppliers' ability to compete with the financial terms granted by other suppliers of capital goods and agricultural commodities. By giving Romania a better opportunity to sell in the United States, the Most-Favored-Nation provision of the agreement should also permit increased dollar earnings by Romania and increase import capability.

The Joint American-Romanian Economic Commission held its second meeting in Washington early this month to discuss further improvement and development of commercial and economic relations between the two countries (see *Commerce Today*, Nov. 10, Page 19).

Two-way trade reached a record level of $408 million in 1974, over twice the 1973 total. U.S. exports of $277 million were dominated by agricultural products, which amounted to about $155 million. Two individual transactions, the sale of commercial jet aircraft ($44 million) and tire-making equipment ($28 million) contributed significantly to the total. On the import side Romania benefited by the unusually strong U.S. demand for petroleum products.

Bilateral trade during the first half of 1975 has been slower: trade in both directions reached only $173 million by the end of July. Romanian exports suffered most, totaling only $42 million, while U.S. exports of $131 million for the first seven months were still larger than for the full year 1973, without the benefit of major project deliveries such as were made in 1974.

No exceptionally large shipments are presently foreseen in either direction before the end of 1975. Romanian exports may pick up somewhat through the lowering of tariff barriers, but the time needed for negotiating, production and transport should delay even most short-run increases to 1976. Some contracts for U.S. equipment may have been delayed by uncertainty over the future of Eximbank financing, or by the import review conducted following the floods, and they are also unlikely to result in exports before 1976. U.S. exports throughout 1975 are thus being sustained by smaller, more routine shipments of equipment and by continued strong exports of agricultural commodities, especially feedgrains, soybeans, hides and cotton. U.S. coking coal, wood pulp and tinplate have also been significant.

Romanian import priorities

Since Romania imports few consumer goods, and plans no increases in this sector, the United States will continue to export primarily agricultural commodities, industrial materials, capital goods and technology. Opportunities for U.S. exports of capital equipment and technology to Romania depend to a large extent upon the investments planned for 1976-80.

Although the Five-Year Plan has not been finally approved, the Directives of the 11th Communist Party Congress, which were recently reaffirmed by the Central Committee and top government leaders, give the general priorities. In many cases, ministries and foreign trade organizations are already seeking equipment and technology for projects to be started under the 1976-80 Plan. In each of the following priority areas, Romania seeks high technology and generally does not consider used equipment. Process control and materials handling equipment will be needed in each of these areas.

Machinery, Transport Equipment and Electronics: The Directives call for emphasis on developing Romania's metal-cutting machine tool production, fine mechanics and optics, and electronic industries. U.S. machine tools and data processing equipment are in particular demand, and U.S. machine tools for metals have recently become more competitive with those of traditional West European suppliers. Production equipment for more sophisticated electronic controls and instruments, including color TV sets, will be sought. Romania intends to begin production of off-highway construction equipment and to expand automotive production and shipbuilding, and is likely to continue adding western-built commercial jet aircraft to its fleet.

Mining and Metallurgy: Romania seeks to open two new large-scale pits for mining low grade copper and will continue to develop processing and manufacturing facilities for both copper and aluminum, and has been particularly interested in U.S. technology in these areas. Romania will attempt to extract nickel, tita[illegible] and zirconium and to obtain rarer [illegible] as by-products of non-ferrous metallurgy. Although dependent upon imported iron ore and coke, Romania plans to continue expanding several existing iron and steel plants, and will begin construction of a completely new iron and steel center in Calarasi. U.S. firms may have excellent opportunities to supply new facilities designed to make higher-quality alloys or to increase productivity.

Fuels and Power: Romania will begin offshore drilling for petroleum during the Plan period, using its own rig and probably also through contracts with foreign oil companies. However, power resources will be developed from sources other than oil, particularly through increased mining and burning of lignite, developing new processes to use bituminous shales, increase output of bituminous coal, development of remaining hydroelectric sources, and by beginning a nuclear power program. The nuclear program has investment implications up to the year 1990 and beyond. Romania hopes to bring on line 6,000 MW of nuclear power by the end of this century, with 8 to 10 separate power stations by that time, primarily of the natural uranium/heavy water type. U.S. technology and equipment can contribute in several of these areas.

Chemicals and Petrochemicals: The country will continue to capitalize on its experience by expanding the petrochemical industry, and several major projects involving U.S. technology are already under negotiation in plastics, synthetic rubber and fertilizers. A major refinery and petrochemical complex for the Black Sea coast is in the planning stages. More specialized plants for both organic and inorganic products will probably also be sought. Production equipment using chemical raw materials, particularly plastics, should become an attractive field for U.S. exports. In all of these areas, Romania will expect to contribute some if not all of the engineering, and will usually give priority to those foreign partners offering higher technology.

In addition to outright imports of equipment and technology, Romania often seeks to establish longer-term relationships with U.S. firms. These have been arranged through a variety of techniques: licensing, technical assistance contracts, production-sharing and counterpurchase contracts, and even joint ventures involving foreign equity investment. Foreign ownership is limited to 49 percent in Romania, but is not prescribed by Romania for third countries. Although negotiations are usually long and difficult by U.S. standards, and Romania generally requires a high level of exports to minimize the longer-run foreign exchange costs, substantial areas of mutual interest can be found.

Poland Mirrors Western Problems; Price Stability Currently Threatened

Following four excellent years, the Polish economy in 1975 is encountering economic problems largely imported from the West, according to the U.S. Embassy in Warsaw.

Sharp changes in its trade patterns over the 1971-1975 period have made Poland much more integrated into the world economy. Economic disturbances in the outside world, which once might have gone nearly unnoticed, now impact in Poland as well, albeit with some delay. Trade with the West increased by over 50 percent in each of the last three years, bringing the West's share of Polish trade to about half, up from about 29 percent in 1971. During this same period, the percent of Polish national income which is derived from foreign trade increased by about 50 percent.

In 1974, the inflation which had been affecting the West made its first impression on the Polish economy despite the many controls and subsidies which the Polish Government uses to isolate its price structure from that of the outside world. Although their price indexes do not clearly reflect the inflationary pressures, Polish officials have been publicly admitting that Poland cannot remain an island of price stability in a sea of inflation. Suppressed inflationary pressures which show up in domestic shortages and non-optimal import patterns have increased in 1975.

The recession in the West has begun to slow the growth of Polish exports. A number of Polish exports to the West, such as clothing, ships, meat, steel, copper and others, are encountering reduced market access and/or lowered prices.

Poland has continued to utilize Western suppliers' credits to finance its imports of modern technology. This inflow of credits has been one of the major engines of the rapid growth of the Polish economy in the past four years. In securing these credits the Poles have taken full advantage of the liberal terms provided by the export financing agencies of Western governments eager to spur their countries' sagging capital goods industries.

Because of its large coal resources, Poland is one of the few non-petroleum producing countries which is not seriously hurt by the energy crisis. Coal supplies 80 percent of Poland's energy requirements and accounts for about 13 percent of its export earnings. Poland will be stepping up its oil and gas imports despite the new high prices in the West and the Soviet Union, but such imports comprise only about 3.1 percent of its total imports. However, the energy crisis has brought a sharp upward revision of the prices governing Poland's trade with its Eastern partners, thus bringing inflationary pressures from the East to compound those previously felt from the West.

To confront the difficulties caused to its economy by the Western problems of energy, recession, and inflation, Poland is taking a number of steps designed to limit imports, spur exports, and borrow enough to see itself through what it hopes is a short-term foreign exchange problem. Investment projects are being examined carefully. Those projects which cannot be structured to show limited or no net foreign exchange outflow in the next couple of years are being delayed or dropped, unless they have a particularly high priority for non-economic reasons. Tourist travel to hard currency areas is being restricted. Some of the anomalies in the country's foreign trade prices and subsidies are being corrected so that excessive imports are not encouraged. Finally, foreign trade transactions are being vetted more closely by the Ministries of Foreign Trade and Finance to curtail inappropriate imports and exports.

The combined impact of these efforts should cut the annual growth in Polish imports from the West substantially below the roughly 60 percent rate at which they have been rising in recent years and should reduce the outflow of foreign exchange. Efforts to increase foreign exchange earning by spurring exports are less likely to be successful in the short-run, due to difficulties in getting the depressed markets of the West to accept additional quantities of Polish products other than coal.

Since inflation and recession in the West have been largely responsible for Poland's current problems, improved Western performance in these key areas would be almost as welcome in Poland as in the West itself.

Near $1 billion in bilateral trade

Total trade between the United States and Poland may reach $900 million this year and $1 billion in 1976, officials of both countries noted following the Fifth Session of the Joint American-Polish Trade Commission in Warsaw last month. For a report on the talks, which also laid the groundwork for a number of specific opportunities for cooperation between U.S. and Polish enterprises, see *Commerce Today*, Oct. 27, Pages 8-10.

U.S. exporters currently are in a favorable position, vis-a-vis their Western competitors, for Polish authorities seem prepared to purchase from U.S. sources if the terms offered are at all competitive. Because of the balance of payments problems cited above, the Poles will try even harder than previously to insert buy-back provisions into major import contracts.

Pressure is also being increased on foreign firms to enter long-term cooperative arrangements calling for licensing technology and/or various forms of coproduction. Many foreign firms are finding that such arrangements, as unusual as they are in normal Western commercial practice, can give them a very significant competitive edge for future sales to Poland.

Another major factor which is shaping Polish import patterns is the desire to introduce labor-saving devices. Poland does not face the severe labor shortages of Hungary or East Germany but it no longer has the labor surplus it once had. Projections for the future show that insufficient availability of labor will be a major brake on the country's development. Consequently, Polish authorities are seeking labor-saving equipment for industry, agriculture, and commerce. Because of their long experience and outstanding reputation as producers of such equipment, U.S. firms have a distinct advantage over European firms in this field.

Because Polish authorities believe that most U.S. firms are not as interested in their market as many European competitors, new-to-market American firms will have to expend considerable time and effort in demonstrating that they have a long-term interest in Poland before they can expect to receive substantial orders. Polish agencies do not want merely to buy pieces of machinery, but want to establish long-term relationships with foreign firms, which they hope will help bring them up to date with the rapidly changing technology of the West.

AT U.S. TRADE CENTER—*Commerce Secretary Morton is greeted at the entrance to the United States Trade Development Center in Warsaw during a recent Polish trip.*

Brazil Hopes For Pickup In Activity As Major Investments Go Forward

Brazil's real GNP is expected to increase by less than 6 percent in 1975, as compared with nearly 10 percent in 1974, reports the U.S. Embassy in Brasilia. The causes of slower growth have included: the government's efforts to improve the balance of payments and to control inflation; higher prices for imported oil; and the effects on agriculture of the severe mid-July frost in southern Brazil.

Inflation is expected to reach 28-30 percent in 1975, an improvement over 1974's 35 percent rate. The liquidity shortage of early 1975 has ended and liquidity is expected to remain adequate. Cruzeiro devaluation from January through August reached 14.5 percent, which represents a slight acceleration in the pace of devaluation.

Reserves are still falling

Brazil continues to face balance of payments difficulties. The trade deficit is likely to exceed the target of $2.5 billion, and official reserves are expected to fall again this year.

Real wages in 1975 for many workers have increased, although higher than expected inflation is eroding part of the gains.

The government has made social development a high priority, increasing budget allocations for major social programs.

Industrial output and investment were expected to pick up in the second half of 1975. Major new investments are going forward in transportation, energy, nonferrous metals, capital goods, chemicals, and other intermediate products. Agricultural growth in 1975 will be lower than in 1974, mainly because of declines in coffee and cotton production. Retail sales are now improving.

Government economists believe that many of the short-term perturbations which complicated economic policy-making through July have now been partially or fully neutralized. Looking several months ahead, policy-makers are concerned about the effect of the OPEC oil price increase and about the pace of recovery in developed countries. Over the longer term, growth prospects remain good, largely because about one-fourth of GNP is invested. Balance of payments difficulties, however, might limit economic expansion through 1977.

Despite the economic slowdown in the first half of 1975 and import restrictions, Brazil will continue to be an attractive market for selected U.S. exports, investments, and services, especially those associated with investments in high technology, import substituting and export industries, and some of the social development programs.

Examples are the new petrochemical center, the steel industry expansion program, capital goods production, the railway system, domestic satellite and radio monitoring systems, mining of bauxite and other non-ferrous ores, fertilizer production, port construction, and health and education equipment and services. U.S. participation in these and other fields continues to depend on access to foreign and domestic financing.

The nuclear agreement with West Germany seems to have foreclosed U.S. firms from the market for nuclear reactors.

Brazil continues to welcome foreign direct investment in priority sectors, with emphasis on joint ventures. An element of uncertainty, however, has been created by public differences of opinion among some ministers regarding the role of foreign investment, and by publicity given to a recent government decision to deny the acquisition of a Brazilian firm by a European firm.

Contracts' policy under review

The Brazilian Government is currently reviewing its policy toward the registration of, and payments for, contracts involving technology transfer, including the relationship to the limits on profit remittances on foreign investments and to balance of payments effects.

U.S. exports of scientific equipment and services might benefit from the government's higher 1976 budget for science and technology, Cr$ 3.6 billion, up 157 percent over 1975.

Tourism to the United States may be affected by a new Central Bank ruling which prohibits loans for foreign tourism.

The heavy frost may cause an increased volume of imports of U.S. wheat and has brought higher coffee prices to U.S. consumers. Higher soybean output will result in greater exports competitive with United States soybean exports to other countries.

The United States is Brazil's largest trading partner and largest foreign investor. The United States exported $3.1 billion in goods and services to Brazil in 1974, and imported $1.7 billion from Brazil.

U.S./Brazil trade fell slightly in the first half of 1975 as compared with the first half of 1974. The largest categories of U.S. exports to Brazil are wheat, jet aircraft, iron and steel, phosphates and super-phosphates, and electrical equipment including instruments and appliances.

The book value of U.S. direct investment in Brazil probably reached about $3.5 billion at the end of 1974, up about 10 percent from the end of 1973. At year-end 1974, U.S. direct investment accounted for one-third of all foreign direct investment in Brazil.

BRAZILIAN PROJECT—*Stripping is carried out by 50-ton trucks and shovels at Aguas Claras iron ore mine at Belo Horizonte, one of several World Bank projects in Brazil.*

Surinam's Move To Independence Raises Questions

Surinam is in a transitional period, moving from Dutch associated statehood to full independence and from a free enterprise economy, dependent on big foreign mining companies, to a mixed economy in which joint ventures between government and private investors, especially in the extractive industries, is likely to be the norm.

The country is scheduled to become independent on Nov. 25, reports the American Consulate General in Paramaribo. The transition has raised questions about Surinam's potential stability and economic directions, and caused investors to reassess Surinam's immediate investment potential. A sharp retrenchment in the bauxite industry, caused by falling world demand for aluminum products, has further clouded the economic picture. Over the longer-term, however, Surinam's bauxite and other mineral and agricultural wealth should provide the basis for stronger economic growth and make this country an increasingly desirable economic partner for the United States.

Perhaps the most sensitive issue connected with Surinam's decision to secede from the Kingdom of the Netherlands has been the amount and form of Dutch aid after independence. Without the cushion of Dutch aid, it is recognized that the government's development plans, as well as its overall financial position, would rapidly run down. Fortunately, the Dutch have acknowledged a "special responsibility" for Surinam after independence. After protracted bilateral negotiations, the Dutch agreed in June to provide approximately $1.7 billion in aid over the next 10 to 15 years. On a per capita basis, that would place Surinam at or near the top of the list of aid-recipient countries in the world.

The level of imports should remain relatively high and American suppliers should continue to find ready markets for earthmoving equipment, tractors, commercial vehicles, fishing boats, pleasure boats, marine engines, mining machinery, food processing equipment, textiles and ready-made clothing, household electrical appliances, builders' and home hardware, toys, pharmaceuticals, industrial chemicals, fertilizers, agricultural commodities and other goods. They can expect to fill about one-third of Surinam's import requirements.

The availability of after-sale servicing and spare parts can be decisive in deciding between comparable equipment from, say, the Netherlands, Germany, Japan or the United States. It helps to explain the great success of German and Japanese automakers in Surinam, when most American makes have all but disappeared from the streets. Manufacturers in Germany and Japan make a practice of encouraging their local distributors to stock as complete a range of spare parts as possible and, in some cases, maintain regional spare parts depots within short flying time of Surinam in order to fill orders quickly.

Another significant factor is the supplier's attitude toward small orders. The unwillingness of some American manufacturers to furnish detailed quotations and data on low unit or dollar transactions, or even to respond to small trade opportunities, has induced more than one Surinamer to look elsewhere for supplies.

However, the competitive position of third countries is weakening, relative to the United States, because their price quotations reflect more expensive currencies and higher inflation and freight costs. For many manufactured goods, the competitive price advantage is now on the American side. Moreover, a new agreement of association between Surinam and the European Economic Community, likely to be signed soon after independence, will drop the present requirement for reverse preferences. That would eliminate a dual tariff system which discriminates against American goods.

The government has awarded a trading monopoly on a long list of food products to *Centraal Importbedrijf Suriname* (CIS), the state trading company. It will be to the advantage of American food suppliers to familiarize themselves with the officers and operations of CIS. As more imported food products come within the purview of CIS, suppliers will have to switch from their traditional trading partners in the private sector or lose the market. A list of items currently reserved for CIS is available at the Department of Commerce.

The Director of CIS is Mr. W. Halfhide, Waterkant 15, Paramaribo; he will be glad to receive price lists and promotional literature.

Resurgence Of Taiwan's Economy Should Buoy Lagging Trade Figures

Growth returned to the economy of the Republic of China in the second quarter of 1975 when, according to preliminary figures, the GNP increased 5.1 percent in real terms over the first quarter. This reversed the trend which had begun in the second quarter of 1974, according to the U.S. Embassy in Taipei.

The industrial production index began going up in March and by June had reached the highest level since December 1973, with the textile and lumber industries picking up the quickest. As a result of reduced economic activity abroad, demands for Taiwan's products decreased in the first half of 1975, as did Taiwan's requirements for materials to feed its factories. Total trade thus declined by almost 17 percent for the first seven months of the year, compared to the same period of 1974, to US$6.1 billion, but at the same time the trade deficit declined even more, by 56 percent to $327 million (versus $586 million).

Price movements during the first half of 1975 were mixed, with wholesale prices down and consumer prices up compared to the previous year. The price performance in July was discouraging as wholesale prices increased 1 percent and consumer prices 2.25 percent over June. On an annual basis the increases would be 12 percent and 27 percent, respectively. There is further reason to be concerned about impending inflation, as there has been a very high rate of growth in the money supply (23.6 percent in June over June 1974) accompanied by still sluggish growth in production of goods. While formal approvals of foreign investment applications were down almost 50 percent by value from January through July, several important investment projects are in the planning stage, especially in the petrochemical field, which could be of great significance. Private international banks are participating actively in these plans.

Major policy consideration

Government planners expect the economy to grow about 2.5 percent in real terms in 1975, an estimate which at this time seems reasonable and perhaps slightly conservative. The trade deficit for the year is expected to be at least $200 million, and unemployment may rise to 4.3 percent or higher. The major question facing policymakers is whether the gradually expanding export demand will continue and whether and how soon to remove some of the stimulating and sustaining measures introduced late in 1974, and still in effect, because they may now be causing inflationary pressures.

The resurgence of the economy after its 1974 slump should provide a stimulus for imports of U.S. raw materials, industrial supplies, and electrical and non-electrical equipment and apparatus. As government planners attempt to move the economy to an increasingly capital-intensive, high-technology base, new opportunities for automated equipment and labor-saving systems and devices should appear in a wide spectrum of industrial fields.

Ten major infrastructure projects are all

either under construction or will be by the end of 1975. The projects—several in the transportation field, and others in petrochemicals, power installations, a steel mill, a shipyard and an airport—have and continue to provide good sales prospects for U.S. manufacturers. Perhaps more importantly for U.S. export prospects, these projects will provide a stronger base for the emergence of Taiwan as a developed industrialized country and a resulting demand for sophisticated equipment in which the United States predominates.

In an effort to decrease its dependence on Japanese imports, the government is actively seeking to diversify its sources of supply to the United States and Western Europe, which makes it easier for U.S. firms to compete with the Japanese, who have had the natural advantages of physical proximity and long-established business relations.

Recent trends in trade with U.S.

Where total Republic of China imports for the first seven months of the year were down 18.8 percent, according to customs figures, imports from the United States were down only 6.4 percent. Total imports from the United States for the period were $950 million. Agricultural products have accounted for a significant part of recent growth, although industrial products are expected to show growing strength during the remainder of the year. Based on data for the first quarter only, the leading categories of U.S. exports continue to be agricultural products (27 percent), non-electrical machinery (18), electrical machinery and apparatus (10.7), iron and steel (6.4), transportation equipment (5.5), organic and inorganic compounds (6.4) and chemical materials (3.2).

Republic of China exports to the United States, on the other hand, have suffered more sharply from the U.S. recession and are well below 1974 levels, totalling $926 million for the first quarter, and turning a trade surplus which Taiwan enjoyed in recent years in bilateral trade into a deficit. As the U.S. economy picks up, this trend should be modified. Major categories of exports to the United States in the first quarter were textile products (26 percent), electrical machinery and apparatus (16.7) and plastic articles (10.9). Sugar and canned products accounted for approximately 14.2 percent.

Recent trade shows at the U.S. Trade Center in Taipei demonstrate the excellent sales potential of U.S. products in several major product categories.

In the automated business equipment field, our August show recorded strong interest in mini-computers, calculators, computerized cash register systems and word processing machines. In the copying and printing area, photocopiers, microfilm equipment and offset equipment were big sellers. During the plastics production equipment show sales were brisk in vacuum forming and trimming equipment, ultrasonic plastic welders, extrusion equipment, hot tip brushing temperature controls, and plastic pipe and belling machines.

In maritime equipment, shipboard equipment such as shipboard instrumentation, navigation equipment, refrigeration equipment, and marine engines attracted numerous buyers. In harbor development, dredging equipment, oil herders, and spill collection systems were popular. Interest was also evident in port cargo handling systems.

Market studies recently completed indicated excellent sales prospects in building and construction machinery and supplies—excavating, leveling and boring equipment, road rolling machinery, lifting and loading equipment and concrete mining and batching equipment. Materials such as precast concrete panels, precast concrete roof decks, exterior wall systems and plumbing systems also show good potential.

In woodworking equipment, hydraulic presses for working wood, automatic lathes, high capacity sanding machines, high capacity slicing machines, finishing equipment, pneumatic drilling machines and nailers should have a good market.

Research now being completed shows exceptional sales possibilities for electronic components and component production and testing equipment.

EEC Progresses At Harmonization Of Its Standards

The European Economic Community (EEC) is making steady progress in carrying out its program to harmonize industrial standards in the nine member states, reports J. Robert Wilson of Commerce's Office of International Marketing. Approximately 55 directives have been approved by the Council to date and approvals are running at a rate of about a dozen per year. The EEC has set a goal of adopting 130 standards by 1978.

In some cases exporters to the Common Market may benefit from harmonization; in other cases, a hindrance may result. If an exporter's product already meets or can easily be adapted to the harmonized standard, a larger market for the product should become available. On the other hand, the new standard may prove difficult to adapt to or certification may present a problem.

The Community follows a three-stage process for harmonizing standards, which begins with a proposal by the Commission. These proposed standards are usually published in the *Official Journal of the European Communities*. After advisory opinions are obtained, the Council, which consists of ministerial-level representatives of the member governments, may adopt a directive incorporating the Commission proposal. There is a large backlog of proposals awaiting Council approval. Finally, implementation of the directives requires action by the member governments, which are usually given 18 months in which to comply.

Recently-approved directives and Commission proposals are listed below, together with references to the texts in the *Official Journal* (O.J.) and the price for that issue of the journal. Copies may be obtained from the European Community Information Service, Suite 707, 2100 M St., NW., Washington, D.C. 20037.

Approved Directives:

Continuous totalizing weighing machine or "belt weighers." (O.J. L 183, July 14; $1.00);

Aerosol dispensers, proprietary medicinal products (two directives), wheeled agricultural tractors, steering equipment, suppression of radio-interference, electric socket for lighting (O.J. L 147, June 9; $1.00);

Volume of pre-packaged liquids, bottles used as measuring containers (O.J. L 42, Feb. 15; $0.50);

Cold water meters (O.J. L 14, Jan. 20; $0.50).

Proposed Directives:

Taximeters (O.J. C 168, July 25; $0.50);

Classification, packaging and labelling of paints, varnishes, adhesives and similar products (O.J. C 166, July 23; $0.50);

Headlights for motor vehicles, gas appliances, instantaneous hot water heaters, rollover protective structures for tractors (O.J. C 134, June 16; $2.00);

Four proposals regarding motor vehicles: Side lights, rear lights and stop lights, rear registration plate lights, safety belts, head restraints (O.J. C 82, April 14; $2.00);

Three proposals regarding construction equipment; General, measurement of permissible noise levels, permissible noise levels for pneumatic concrete breakers and jackhammers, (O.J. C 82, April 14; $2.00).

A checklist of approved directives is available upon request from Regional Affairs for Developed Markets, Office of International Marketing, Room 4002, U.S. Department of Commerce, Washington, D.C. 20230. About two-fifths of these directives concern motor vehicles.

Firms or organizations that believe that specific EEC standards may impede their sales to the EEC are urged to contact Commerce's Office of International Trade Policy (202-967-5233), which will be of assistance in making U.S. concerns known to the Commission.

New UN Unit Studies Transnational Firms

The United Nations Center on Transnational Corporations that began functioning in New York early this month will concern itself with one of the most significant economic developments in the post-war world—the growth of large corporations whose operations in large part transcend national boundaries. The Center's first executive director is Klaus A. Sahlgren, formerly the permanent representative of Finland to the United Nations at Geneva. He was also chairman of the Council of the General Agreement on Tariffs and Trade in Geneva.

The growth of transnational corporations since World War II has reached a point where production and sales by their foreign affiliates now exceeds world trade. Although the world community has succeeded in establishing general rules and institutions concerning international trade and monetary relations, few such rules exist in the case of foreign investment.

The Center on Transnationals will work to fill this vacuum. It will, in general, perform the following functions:

- Provide necessary support to the General Assembly, the Economic and Social Council and the Commission on Transnational Corporations on the full range of related issues;
- Develop and maintain a comprehensive information system and disseminate the information it gathers and analyzes;
- Conduct research on the political, legal, economic and social aspects relating to transnational corporations. This would include elaboration of a code of conduct for transnational corporations.
- Organize and coordinate programs of technical cooperation on all these matters.

The Center's offices are on the 10th floor of the Burroughs Building at 605 Third Ave. in New York City.

OPIC Seminar Will Consider Investment in Third World

The Overseas Private Investment Corporation, the quasi-governmental organization which encourages U.S. private investments in developing countries through various insurance and finance services, will conduct a seminar at the Mayflower Hotel in Washington, D.C., on Dec. 11.

James A. Baker, III, Under Secretary of Commerce and member of OPIC's Board of Directors, will be the luncheon speaker. At the morning session, senior officers of OPIC will detail the Corporation's history; the afternoon discussions will center on investing in Central America and West Africa.

Write OPIC at 1129 20th St., NW., Washington, D.C. 20527, or call Margaret Van Caster, 202-632-1854.

International Business Reports

Yearbook of International Trade Statistics 1974. Twenty-third edition. Published by the United Nations. In two volumes, $45 for both. Approximately 1,730 pp.

Provides basic information for individual countries' external trade performance in terms of overall trends in current value as well as in volume and price, importance of trading partners and significance of individual commodities. Volume I contains detailed data for individual countries and basic tables showing contribution of the trade of each country to the trade of its region and of the world, analyzing flow of trade between countries and describing fluctuations of prices at which goods move internationally. Volume II contains commodity tables showing total economic world trade of certain commodities analyzed by regions and countries; and commodity matrix tables.

This edition shows annual statistics for 147 countries. Data covers 1966 through 1974 and the latest years available are shown for each country.

Write: Sales Section, United Nations, New York, N.Y. 10017.

Non-Ferrous Metal Data 1974. Published by the American Bureau of Metal Statistics, Inc. 143pp. $10.50.

Records for 1974 and prior years, mine, smelter and refined production; consumption; imports and exports; and other statistics on a worldwide basis. Copper, lead, zinc, nickel, gold, silver, aluminum, bauxite, tin, antimony, cadmium, cobalt, magnesium, molybdenum and platinum and sundry ores and metals are included. There are also tables of metal prices, monthly and annual, and lists of metallurgical plants and their capacities.

Write: American Bureau of Metal Statistics, Inc., 420 Lexington Ave., New York, N.Y. 10017.

International Marketing. 3rd edition, 1975. By Philip R. Cateora and John M. Hess, University of Colorado. 761pp. $14.95.

Discusses objectives, problems and challenges facing American manufacturers interested in marketing their products in foreign countries.

The aim is to present a conceptual framework that can provide "concrete, action-oriented benefits to marketing managers and students of marketing."

Write: Richard D. Irwin, Inc., Homewood, Ill. 60430.

Basic Information about the Asian Development Bank. 28pp. Free.

Deals with the history and structure of the Bank and its objectives, functions, organization and financial resources. Also provides information which may be of particular use to prospective applicants for loans and technical assistance from the Bank.

Write: Information Office, Asian Development Bank, P.O. Box 789, Manila, Philippines.

Calendar For World Traders

Dec. 1-5—New York—Seminar on How to Export From the United States, American Management Assns.

Dec. 2—New York—FCIB Roundtable Conference on International Finance, Credit, Collection and Exchange Problems, Summit Hotel.

Dec. 3—Ann Arbor—Seminar presented by University of Michigan Institute for International Business. Arthur Miyakawa of the Bureau of International Commerce will discuss the Japanese market.

Dec. 3—San Francisco—Seminar on West Coast Foreign Exchange Market, California Council for International Trade.

Dec. 4-5—New York—World Trade Institute briefing on International Economics for Executives: Basic Global Issues.

Dec. 8-9—Chicago—Fifth International Commodities Conference, Palmer House. Sponsored by New York University, Division of Business and Management.

Dec. 10—New York—FCIB Publishers Export Credit Group Christmas meeting, Summit Hotel.

Dec. 11—Chicago—International Trade Club meeting. Tom Moore of the Bureau of International Commerce will discuss Investment in Southeast Asia.

Dec. 11—New York—Overseas Automotive Club luncheon meeting, Summit Hotel.

Dec. 11—New York—International Executives Assn. annual dinner meeting, Statler Hilton.

Dec. 16—New York—FCIB Hardware-Automotive & Allied Trades Group Christmas meeting & election of chairman, Summit Hotel.

Dec. 18—New York—FCIB Drug, Chemical & Food Export Club Christmas meeting, Summit Hotel.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about upcoming licensing and joint venture proposals, opportunities to sell foreign enterprises and appoint agents, and details on major construction and expansion projects.

Licensing, Investment Abroad

AUSTRALIA—Australian Commissioner in New York has list of Australian companies seeking licensing and joint venture agreements with American manufacturers. Major product interests include optical and electronic equipment, medical products, building materials, aircraft equipment, ceramic coatings and plastic and rubber products. To obtain copy of list, American firms should write: R. W. Holberton, Senior Trade Commissioner, Australian Trade Commission, Suite 426, 636 Fifth Ave., New York, N.Y. 10020. P-75762.

0100, 0200, 2000—GABON—Firm seeks contacts with U.S. agribusiness firms for **agricultural development.** Highly mechanized operations are desired. Products of primary interest include pineapples, palm oil, rice, vegetables (especially tomatoes) and other fruits. Meat production is also of interest. Additional information available from Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75758. OPIC.

2297, 3391, 2842—UNITED KINGDOM—Seeks licenses to manufacture U.S. **household cleaning products, including chemical cleaners, car cleaning and polishing cloths.** Firm is well known manufacturer of household products, including non-woven, synthetic cleaning and polishing cloths, sponges and gloves. It employs 86, has annual sales of $4.2 million, is subsidiary of Carl Freudenberg (Weinheim) Ltd. of West Germany. C. J. Fellows, Brand Manager, Vileda Ltd., Consumer Division, P.O. Box No. 3, Greetland, Halifax, West Yorkshire HX4 8NJ, England. P-75764.

2499—UNITED KINGDOM—Firm seeks joint venture to manufacture in U.K. **block mounts for reproductions, kitchen and bathroom plaques, frames and similar wooden products.** Company has been established for four years in manufacture and distribution of blockmounted reproductions and framed prints. Distribution network covers U.K., other European countries, Australia, Southern Asia and Near East. Firm employs 16 persons. Malcolm Friedland, Camille Arts Ltd., 599-613 Princes Road, Dartford, Kent, England. P-75759.

2821, 2865, 2869—BRAZIL—Seeks licenses to manufacture **additives for paint industry, plasticizers, and alkylic, maleic, phenolic, acrylic and other resins.** Firm was organized in 1973, has 25 employees, reported 1974 sales of 4.2 million cruzeiros. Darcy Takeshita, Commercial Director, IBRAQUIMICA Produtos Quimicos Inds. Ltda., Av. Humberto A. Castelo Branco 740, 09700 Sao Bernardo do Campo (SP). WTDR. P-75757. OPIC.

2841, 2842, 2891, 2899, 3824—SWITZERLAND—Seeks licenses to manufacture **chemicals for building industry** (to harden concrete, protect against humidity, heat resistant adhesives, sealing compounds, prevent decomposition of stone, for soils consolidation); **food additives** (to preserve freshness and moistness, also novel flavorings and colorings); **institutional and industrial cleaners** (personal care preparations for restaurants, hotels and factories, including dispensers for soap and nutrition creams, hand dryers and related devices); **industrial chemicals for paper, textile and packaging industries,** including systems for filling packages with foam; **pollution control preparations** (mainly for use in third and fourth stages of waste water plants, novel types of flocating processes, chemical filling materials for water and air filters); and devices to apply and control quantities of the various products described above. Firm employs 100, has sales organization covering most of Western Europe. It has financing available to acquire new equipment. Dr. Epp, Van Baerle & Cie. AG, Austrasse 2, 4153 Reinach. P-75768.

2842—BOLIVIA—Seeks licenses to manufacture **floor waxes, shoe polish, cleansers and related products.** Raw materials will be required. Recent Bolivian Government decree prohibits importation of these products. Manuel Holguin, Holguin y Cia. S.A., Casilla 250, La Paz. P-75765. OPIC.

3079—FRANCE—Seeks licenses to manufacture **polystyrene and polyethylene packaging for food products,** mainly dairy items, such as cheese spreads, sour cream, yogyurt and ice cream. Also fruit juices and pastries. Firm currently makes cardboard and plastic packaging materials. It was established in 1939, employs 200 and has annual sales of $2.5 million. Mathon, Manager, Cartoneries Modernes S.A., route de Valmont, 76 — Fecamp. Cable address, CARTOMO FECAMP; telephone, (35) 28.01.02. P-75773.

3229—AUSTRALIA—Seeks to license process for **sealing glass refrigerator doors for medium temperature and deep freeze applications.** Presently produces around 600 upright refrigerators annually which are sold primarily in New South Wales and Queensland. Manufacturers only commercial refrigerators; sales of about $500,000. J. H. Orford, Manager, Orford Refrigeration Pty. Ltd., 256 Herries St., Toowoomba Q. 4350. P-75770.

3272—GERMANY—Importer, exporter and distributor of special construction materials and equipment, seeks licenses for production of **prefabricated roofing and construction elements,** for example, insulating roof edge securing elements. Products should be new to market. German firm has subsidiary in Netherlands. Established 1953. Isogleitchemie—Handelsgesellschaft fuer Isoliertechnik, Gleittechnik und Bachemie mbH, Herkulesstrasse 9—11, 43 Essen 1. P-75775.

3274—OMAN—Government of Oman has expressed interest in exploring projects for fabrication of **bind and lime bricks.** All raw materials are locally available, in good quantity and of high standard. Anticipated cost of joint venture project would be in range of 4 million Omani rials (1 Omani rial = $2.92). Majority interest would be held by Omanis, preferably private sector but with Government participation if necessary. However, this project is under consideration, but no firm decision has yet been made to proceed. Copies of feasibility study on autoclaved calcium silicate projects in Oman performed by French firm Renardet Ice. in September 1974, available. Interested parties should correspond directly with Bararkat Lamki, Deputy Under Secretary, Ministry of Industry and Commerce, P.O. Box 550, Muscat, Sultanate of Oman. P-75777.

3494, 3824—SWITZERLAND—Firm seeks to acquire manufacturing rights or license for manufacture in Europe of **steam traps and mechanical flow meters of positive displacement type** for in-line application with any kind of commonly used pipe diameters. Potential licensors should be capable of offering necessary technical assistance for special equipment with respect to corrosion resistance (teflonized or rubberized meters), pressure, pollution (clogging). Swiss company is marketing headquarters of Swedish Bonnier group, consisting of over 20 sales, servicing, and manufacturing facilities in most industrialized countries of world. Manufacturing

Important Notice

Member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specified types of business relationships with the State of Israel. It is possible that U.S. firms responding to trade or investment opportunities from Arab countries published herein may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that pursuant to Section 3(5) of the Export Administration Act of 1969, as amended, it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (b) to encourage and request U.S. concerns engaged in the export of articles, materials, supplies, or information to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting such restrictive trade practices or boycotts. Accordingly, U.S. concerns receiving such requests to participate in a restrictive trade practice or boycott are encouraged and requested to refuse to comply with them.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such receipt to the Department of Commerce in accordance with Section 369.2 of the above-cited regulations.

is mainly in Sweden. New plant is in planning stage for Switzerland. Group staff includes about 500 persons. Annual sales in 1975 expected to be above $17 million. Lars Hedman, President, EUR-CONTROL AB, Ave. Fraisse 3, 1006 Lausanne. P-75780.

3523—BRAZIL—Seeks license or joint venture to manufacture **corn degermination equipment and fluidized transporters.** Firm is successful, medium-sized manufacturer of machinery for grain mills, feed mills and silos; seeks to expand production. According to firm, equipment of interest is neither produced nor imported by Brazil. Claims sales prospects are excellent. Company employs 130; is prepared to begin negotiations immediately. Eugene Berge, Industrial Director, Moinhos Industria e Comercio Tecmolin Ltda., Rua Conselheiro Nebias 217, 20 andar, sala 21, Caixa Postal 9256, Sao Paulo, S.P. WTDR. P-75771, OPIC.

3523—UNITED KINGDOM—Manufacturer of plowing, cultivating, other agricultural equipment seeks licenses to produce and market complementary lines. Product interests include **farm dairy machines, sprayers and dusters, elevators and blowers, planting, seeding and harvesting machines, harrows and pulverizers.** Firm markets throughout U.K. and Republic of Ireland via a dealer network. Has 120 employees. A. Burns, Sales Manager, Colchester Tillage Ltd., Hythe Hill, Colchester, Essex CO1 2NL, England. P-75769.

3523—UNITED KINGDOM—Seeks licensing and/or marketing agreements for **agricultural engineering equipment.** Is interested in **grain drying equipment such as elevators and blowers, machines for preparing crops for market and stationary and portable combination grinder-mixers.** Firm produces, distributes and exports grain drying, storage and handling equipment including pneumatic conveying systems, air ducts, blowers, flow and aeration fans, drying accessories, and grain weighing machines. Markets its products worldwide, has 12 branch plants, employs 3,000. Subsidiaries produce industrial and domestic heating and ventilating equipment. Henry D.E. Woods, Director, Myson Group Marketing Ltd., Agricultural Division, 103 Greenstead Road, Colchester CO1 2SY, England. P-75772.

3532—GERMANY—Seeks cross licenses, licenses and similar agreements in **underground mining machinery and equipment.** Firm's production program includes underground transportation and drilling machinery and other equipment for coal and ore mines. Is interested in locating competent companies interested in exchanging, granting or acquiring technology. Established in 1918, firm employs 150; has sound reputation. Bodo Finger, General Manager, Maschinenfabrik Moenninghoff, 463 Bochum, Bhrenfeldstrasse 45. P-75766.

3542—JAPAN—Seeks license to manufacture **mechanical shearing machines.** Presently, firm produces cranes, hot coil marking machines, mechanical and hydraulic presses. Operates five plants, employs 230. Markets throughout Japan, Korea and other areas. Shinpo Yamada, Managing Director, Nakayama Machine Co., Ltd., No. 13, Kyoei 54, Hiroshima-Cho, Sapporo-Gun, Hokkaido 061-11. P-75756.

3551—UNITED KINGDOM—Engineering division of large company seeks license to manufacture and market in U.K. and Europe **equipment or systems related to brewing, dairy or process industries.** Specific example of product interest are filters for brewing process. Firm's present operations encompass design, development, manufacture and erection of brewing equipment, fermentation rooms and tank rooms including all associated pipework and control equipment. Through its expertise in working with stainless steel, copper and titanium, firm also produces rigid pipe assemblies and fittings for aerospace industry. Company also is a major supplier to other chemical, pharmaceutical and process industries. Company has young, dynamic management; employs 250. David J. Storer, Commercial Manager, Robert Morton (DG) Ltd., Derby St., Burton-on-Trent DE14 2LH, England. P-75763.

3559—GERMANY—Seeks licenses to manufacture **environmental controls, devices and related equipment for desalination of sea water** which has been previously filtered for other impurities. Firm presently produces similar equipment and is interested in expanding production. Wasser- und Unwelttechnik, Postfach 224, 4834 Harsewinkel. P-75776.

3569—SWITZERLAND—Desires to manufacture under license in Switzerland, **time recorders (it can meet MIL specifications); electronic components and accessories; and electromechanical apparatus.** Firm would prefer not being entrusted with sales of licensed equipment in Europe. Company was established in 1874 as manufacturer of watches and other time pieces. It has reoriented its activities to toolmaking and precision mechanical working. Presently produces digital time recorders, micromotors, electromechanical apparatus and relays; also acts as sub-contractor for number of Swiss manufacturers of original precision instrumentation. Eric Zutter, Managing Director, Manufacture de Montres National SA, rue A.M. Piaget 71 2300 La Chaus-de-Fonds. P-75781.

3569—UNITED KINGDOM—Seeks license to manufacture **any kind of packaging machinery** with sole world marketing rights outside of North and South America and Japan. Firm would also be interested in cross licensing agreements. Presently, company produces semi-automatic labelers, vertical form-fill-seal machines and sachet and cartoning machinery. L. C. W. Sawdry, Director, Mayflower Packaging Ltd., 5 Guardian Industrial Estate, Norwich NR5 8 PF, England. P-75761.

3648—UNITED KINGDOM—Manufacturer and distributor of **nucleonic instruments, operator protection systems, low light surveillance devices, night weapon lights and optical equipment seeks license.** Is interested in making any products compatible with its present line. Company employs 250, reports annual sales of $3.7 million. Mrs. J. Sore, Electronic Machine Co., Ltd., Willow Lane, Mitcham, Surrey CR4 4UX, England. P-75760.

3650—INDIA—Seeks joint venture to manufacture **consumer electronic** products for export. Write: M. L. Garg, Resident-Director, Trade Development Authority of India, 666 Fifth Ave., New York, N.Y. 10019. P-75779. OPIC.

3679—INDIA—Seeks joint venture to manufacture **electronic products for export.** Main areas of interest are electronic components, cassette tapes, color television sets and medical electronics. The Indian entrepreneur has ten years' experience in marketing electronic components. M. L. Garg, Resident-Director, Trade Development Authority of India, 666 Fifth Ave., New York, N.Y. 10019. P-75778. OPIC.

3823, 3824—UNITED KINGDOM—Seeks licenses to manufacture **equipment for dosing and/or sterilization of water supplies; a'so equipment for measuring quantity and quality of water or effluent wastes.** Established for over 100 years, firm has 180 employees and annual sales of $3.09 million. It manufactures filters and chlorinators for water supplies and is agent/distributor for level and flow measuring apparatus. Firm is part of Portals Group which has annual sales of $47.38 million worldwide. K. J. Daniells, Managing Director, Portacel Ltd., Cannon Lane, Tonbridge, Kent, TN9 1PP, England. P-75755.

3832—GERMANY—Seeks licensing arrangement for production of new and specialized **lenses** which would complement firm's present line of lenses. Specifically interested in "long lenses" of type used in medical endoscopes, cystoscopes and industrial applications. Also interested in providing its lens finishing services to U.S. lens-using industries in need of this quality work. Presently manufacturers all lenses in range of 1-30 mm., and includes lenses for medical instruments (endoscopes, cystoscopes, pediatric cystoscopes, microscopes), small projection lenses for copiers, laser technique objectives, measuring heads, and lenses for numerically controlled machines. Established in 1951. Dipl. Ing. Hans R. Faerber, Edgar Faerber Praezisionsoptik KG, 6301 Heuchelheim, Rodheimer Str. 70, Postfach 21. Telephone 0641-75768. P-75774.

7372 — JAPAN — Electric data processing software development firm is seeking American joint venture partner which specializes in **mini-computer applications to rationalize management at gas stations; and new software technology for inventory control by mini-computers.** Company is equipped with two computers, and staffed by 17 system engineers and 18 programmers. Is subsidiary of leading transportation firm with depots in major Japanese cities. Software affilate develops software for parent company and other firms. Proposed venture would provide products to Japanese buyers. H. Kawata, Director, Yamato System Development Co., Ltd., 27-14, Yoyogi 2-chome, Shibuya-ku, Tokyo 151. P-75767.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a licensing agreement or in partnership, write the Domestic Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248), referring to the appropriate file number.

GERMANY—Specialized stainless steel deep frying device offered for license. It is designed to keep portions of foods together while being fried in deep fat. File 2843

GERMANY—Licensees are sought to produce a disposable paper toilet seat cover. Advantages of this product, which can be marketed both in individual consumer packages and in institutional quantities, include soft texture, full seat coverage, and good seat adhesion. File 2844

GERMANY—Inventor wishes to license his new method for manufacturing a printed circuit. File 2845

GERMANY—U.S. licensees are sought for production of super-pure carbon pellets used as an auxiliary material in steel making. The pellets reportedly possess unique purity and are widely accepted in German steel industry. File 2846

GERMANY—Germany's oldest manufacturer of foot care preparations is interested in having its line produced under license in U.S. File 2847

GERMANY—Manufacturer of underground transportation and drilling machinery and other equipment for coal and ore mines is looking for U.S. firms interested in acquiring or, preferably, exchanging licenses. File 2848

GERMANY — Large manufacturer of chrome-nickel-steel, high-capacity kitchen equipment for hotels, hospitals, cafeterias, schools, and other establishments, wishes to license its products. Line includes equipment for cooking, grilling, baking, and cooling as well a work tables, transporters, automatic dishwashers, and dish rinsing stands. File 2849

GERMANY—U.S. manufacturers of optical instruments involving fine-lens finishing work are sought as licensees for range of lenses for medical instruments (endoscopes, pediatric and other cystoscopes, and microscopes), small production lenses for copiers, laser technique objectives, measuring heads, and lenses for numerically controlled machines. File 2850

HUNGARY—U.S. licensees are sought for multi-stage, biological waste water treatment system, designed for cities with populations of up to 200,000; is particularly effective in treating highly concentrated industrial wastes. File 2851

NETHERLANDS—Manufacturer of puification equipment for sludge water wishes to license its patented thermal sludge drying process, which features a specially designed rotary drier. The economical process is reportedly unique, in that it converts sludge into fertilizer pellets. File 2852

SWEDEN—Small engineering firm specializing in developing and marketing new inventions offers indoor miniature golf course. Game takes up only 24 sq. meters, compared to about 1,000 sq. m. for conventional layouts and is, therefore, suitable for hospitals, hotels, recreational centers, sport halls, or any institution where space is at a premium. File 2853

SWITZERLAND—Line of household plastic items for sale in department stores is offered. Line includes softcushion mats for use in bathtubs to prevent slipping and protect the skin, collapsible cabinets for linens and clothes, collapsible wardrobes with metal supports, and plastic garment bags. File 2854

SWITZERLAND — Well-established manufacturer of infants' and children's furniture wishes to have its line produced under license in United States. A small bed that folds into portable case is among more interesting of these items. File 2855

SWITZERLAND — One of Switzerland's leading companies in galvanic metal treatment wishes to license its electronic integrators for galvanoplastics. These devices are used to control chemical balance of galvanic baths and thereby assure proper rate of metal consumption. The units have built-in memories for data storage during shutdowns. File 2856

SWITZERLAND — Manufacturer of precision machine tools and instruments for metalworking industry offers its optical bore gage for production, toolmaking, and research. This unit, a stick-shaped instrument with a mobile contact plunger from which direct readings are taken, is reportedly in wide use throughout Switzerland and neighboring countries. File 2857

SWITZERLAND—Licensees are sought for line of attractively designed central heating equipment, consisting of variety of radiators and convectors developed especially to include space-saving and decorative features. Some of this award-winning equipment is already made under license in other West European countries. File 2858

UNITED KINGDOM — Large workshop, staffed mainly by handicapped or blind employees, is seeking U.S. licensees for its products: domestic wire products (bottle and shoe racks, space-saving under-shelf baskets, and lawn and patio furniture); horticultural products, such as decorative garden fencing; industrial products (machine guards and gravity-lock foldaway trolleys), and mattresses. File 2859

UNITED KINGDOM — Long-established manufacturer of sails, marine lifesaving equipment, and yacht fittings is interested in licensing agreements with U.S. firms. Proposal involves plastic lifebuoy, which has a rigid polyvinyl chloride skin filled with polyurethane foam, is non-flammable and fitted with fiber roping, and comes in 24" and 30" diameters. File 2860

UNITED KINGDOM—Firm wishes to interest U.S. boatbuilders in manufacturing under license its range of pleasurecraft, which includes 21-ft. to 27-ft. sailing cruisers, 32-ft. power boat, and 20-ft. catamaran. File 2861

UNITED KINGDOM—Small manufacturer, distributor, and exporter of compound and hydroponic fertilizers seeks U.S. license. Firm supplies fertilizers to national government and local governments. File 2862

SWITZERLAND — Manufacturer and exporter of industrial furnaces for light metals as well as light metal casting, rolling, forming, and auxiliary process equipment, wishes to set up licensing or joint-venture arrangement centering on its industrial furnaces for light metal, particularly aluminum. Furnaces are electric, or oil or gas heated. U.S. partner would perform necessary sheet metal work for housing of furnaces, involving welding of heat resistant steel of up to 5 millimeters in thickness. File 2723-R

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Division, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1972 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (•) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Miscellaneous nonmetallic minerals, except fuels

1499XX—GERMANY — Pure quartz sand with max. fe2 03 content of 0.0005%. Asbestos, Canadian commercial grades 3. 4 & 5. Dutch firm with Berlin bureau seeks import of above minerals. C.I.F. quotations preferred. Reply to—Herrn Plack, Sidaco Nederland C.V., 1 Berlin 15, Duesseldorfer Str. 38. Tel. 883 20 47.

Building construction

• 15100, 16200—AUSTRALIA—Tender for

design, manufacture, supply, delivery, erection on site, testing, and bringing into operation of four railroad car washing plants (Tender No. 2516). Tender specifications available for A$2 from American Consulate in Sydney. Estimated value of project U.S. $6.5 million. Purchaser is Public Transport Commission of New South Wales, 11 York St., Sydney, N.S.W., Australia 2000. Bid deadline Jan. 7. Graham Evans and Co. Pty. Ltd., 235 Bay St., Botany, N.S.W. 2019, telephone 669045, is interested in construction and wishes to locate U.S. company that can supply machinery and expertise. Manager is Mr. Trevor Blanch. American Consulate in Sydney currently preparing WTDR on this firm. Copy of the specifications available for review in Room 2118, U.S. Department of Commerce, Washington, D.C.

Highway & street construction

• **16100—SOUTH AFRICA**—M. C. Van Heerden, Head, Capital Buying, South African Iron and Steel Industrial Corp. (ISCOR), P.O. Box 450, Pretoria, 0001, invites tenders for construction of Grootegeluk Coal Beneficiation Plant. Only tenders for complete plant as specified will be considered. Enquiry documents obtainable against deposit of $172, refundable upon receipt of bona fide tender. Financed by ISCOR with full guarantee by Government of South Africa.

Heavy construction

• **16200—NIGERIA**—Tenders for construction of water boreholes for Zone 2 and 3 invited by the North-Eastern State Government. (Contracts for Zone 1 and 4 already awarded.) Zone 2 (northern Sardauna, southern Borno, Eastern Bauchi, and northern Adamawa) has 50 boreholes. Zone 3 (Bauchi Province and western Borno) has 54 boreholes. Tenderers can bid for both zones, but bid-letting agency must decide whether tenderer is technically competent to handle such large construction projects in two different areas. Details on tenders obtainable from Office of Permanent Secretary, Ministry of Water Resources and Irrigation (Water Division), PMB 1188, Maiduguri, with a nonrefundable deposit of Naira 200. Pre-bid conference with tenderers will be held Dec. 15 at the Ministry. Tenders must be completed and submitted in sealed envelope marked "Tender for Borehole Construction" and received by Permanent Secretary at above address before Jan. 12.

• **16200—NIGERIA** — Western State planning construction of mini-steel mill. Feasibility study, being carried out by German firm, Korf Engineering, to be completed in November. Presently planned to have 35,000 ton/annum capacity and to use scrap steel as basic raw material. Any firms interested in bidding on construction contact: Mr. M. S. Adigun, Permanent Secretary, Ministry of Industries, Agodi, Ibadan. Will not be turnkey project. Contracting firm is to take equity share and manage plant until Nigerians can be trained to fill positions.

• **16200—SAUDI ARABIA**—Riyadh Electric Co. & Suburbs intends installation of Power Station No. 5 together with associated transmission facilities in Riyadh. Works will consist of: Manufacture, supply, transportation, installation, testing and placing into commercial operation of complete 300 MW gas turbine power station, consisting of 5 to 8 gas turbine units, together with all mechanical and electrical auxiliaries, 132 KV indoor power plant substation complete with all necessary facilities, control equipment, piping, fuel oil handling system and storage tanks as well as complete civil works including excavations, foundations, building superstructures, access roads, fencing, backfill and landscaping. Gas turbine units shall be designed to burn crude and diesel oil. Manufacture, supply, transportation, installation, testing and energizing of complete 132 KV double-circuit overhead transmission line, together with eleven 132/33 KV indoor substations complete with all necessary transformers, breakers, switchgear, controls, as well as complete civil works including excavation, foundations, substations, superstructures, access roads, backfilling, landscaping and fencing. Approx. total length of overhead transmission line 213 Km (132 miles). Bidders will be requested to quote additionally for an alternate 132 KV underground oil-filled cable transmission line. Manufacture, supply, transportation, installation, testing and energizing of 33 KV underground sub-transmission lines, together with ten 33/13.8 KV indoor substations complete with all necessary transformers, breakers, switchgear, controls, complete civil works including excavation, foundations, substation superstructures, access roads, backfilling, paving and fencing. Approx. total length of underground sub-transmission lines 97 Km (60 miles). Bidders invited on complete turnkey basis. Bid due date Feb. 1. Project expected be commercially operable March 1978. Bidding documents available at Kuljian's Philadelphia, Pa., office about Dec. 1. Documents will consist of one set specifications ($400) and one set drawing ($125). Fees are nonrefundable. Bidders interested in receiving bid documents write The Kuljian Corp., 3624 Science Center, Philadelphia, Pa. 19104, Attn: E. H. McLatchy, with copy to General Manager, Riyadh Electric Co. & Suburbs, P.O. Box 57, Riyadh.

• **16200—UNITED KINGDOM** — NATO infrastructure project: supply/delivery of pipeline and pumping facilities for Dieso Storage Project at OFD Thanckes (opposite Devenport Dockyard, Plymouth, Devon, U.K). Diesel driven Dieso pumps: 4 diesel engine pump sets, each with output of 600 cubic meters/hr. to deliver diesel oil against discharge head of approx. 90 meters. Pump sets shall be arranged to give combined maximum flow rate of 1800 cubic meters/hr. with 3 pump sets "on-line," the 4th pump set remaining on standby. Pumps may be either centrifugal pattern for flooded suction conditions or screw displacement pattern where liquid suction level is below pump inlet level. Diesel fuel for operating diesel engine pump drivers will be to same specification as oil being pumped. Diesel engines shall have air blast integral radiators for set cooling and started by D.C. motor operated from batteries. External electric power supply will be available to charge batteries. Otherwise, units shall be self-contained and shall require no external power source for operation Dieso specifications: AC Class "C" diesel type white oil having following properties—SG 0.84 kirenatic viscosity 8 TM 15 C ST at 21 degrees C. 22 C ST. at 10 degrees C. Line-Pipes: All pipes shall conform to API Standards grade A or B. Approx. quantities: 20″ NB—500 meters; 16″ NB—600 meters; 14″ NB—26 meters; 12″ NB—70 meters; 4″ NB—500 meters. Estimated cost of this subcontract approx. 150,000 pounds. Project due to start on site in Aug. 1976 with completion in Aug. 1978. Additional information can be obtained from Project Officer, J. A. Franklin, PSA/DOE DW (NH), Rm A708, Whitgift Center, Wellesley Rd., Croydon CR9 3LY U.K.

Public building, related furniture

• **25310—MOROCCO**—Monsieur le Directeur. Direction des Projets-Education, Ministere de l'Enseignement Superieur, Rabat, has issued tender 11/75 for supply of furniture and office equipment for National Pedagogic Institute and higher teacher's school. Bid deadline Dec. 20. Project financed by World Bank. Correspondence preferred in French. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, tel. 202-967-5569.

• **25310—PERU**—Ministerio de Educacion, Piso 21, Lima, has issued tender Proyecto Peru-BIRF No. 949-PE for supply of school furniture, training equipment and supplies. Bid deadline Dec. 31. Foreign manufacturers and/or suppliers of school furniture and school education and training equipment and related supplies interested in applying for inclusion in Ministry's International Providers Register which entity is completing in connection with Peru-BIRF No. 949-PE (construction and equipping of 33 basis-level schools located throughout Peru), must register by Dec. 2. Interested firms must fill out required registration form, available free of cost from above address. Financing by World Bank. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Plastic products

3079049—JAPAN—Foam styrene sheets for molding into food containers. Est. annual purchase $20,000. Reply to—Mr. Michio Otani, Chief, Devel. Group, Sekisui Kasei Kogyo K.K., 2 Kinugasa-Cho, Kita-Ku, Osaka 530. Tel. 06-365-3053.

Steel mill products

• **33100—BURMA**—260,000 ft. of hot fin-

Important Notice

Member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specified types of business relationships with the State of Israel. It is possible that U.S. firms responding to trade or investment opportunities from Arab countries published herein may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that pursuant to Section 3(5) of the Export Administration Act of 1969, as amended, it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (b) to encourage and request U.S. concerns engaged in the export of articles, materials, supplies, or information to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting such restrictive trade practices or boycotts. Accordingly, U.S. concerns receiving such requests to participate in a restrictive trade practice or boycott are encouraged and requested to refuse to comply with them.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such receipt to the Department of Commerce in accordance with Section 369.2 of the above-cited regulations.

ished electric resistance welded steel line pipe. Tender No. 1(T) CONST-MOC/PLP (75-76) CAP; bid deadline Dec. 11. Myanma Oil Corp., 604 Merchant St., Rangoon. Tender documents available from U.S. Embassy, Rangoon.

● **33100—BRAZIL**—Pre-qualification tender for selection of manufacturer who will be invited to bid for supply of 13,200 metric tons galvanized steel for 523 kilometer 500 KV transmission line. Tender No. PS-017.75; bid deadline Dec. 29. Furnas Centrais Electricas S.A., Directoria de Contratos E Suprimentos, Rua Real Grandeza, 219—10th floor, Rio de Janeiro. Manufacturers interested in submitting pre-qualification documents should request "instruction for pre-qualification" either by letter, cable or telex, clearly giving name and address of firm, and name of responsible officer. "Furnas" expects bidders to offer either supplier's credits or financing by official lending agency of country of origin. Telex Furnas No. 021-21166 (Directoria Suprimento); Cable: Riofurnas (Directoria Suprimento).

33100—SOUTH AFRICA — Hollow-drawn seamless tubing used in hydraulic cylinders. Maximum pressure 2,500 PSI. Inside diameter 6", 7½", 8", 10", 3", 4", 5". Firm wishes to negotiate annual contract for about 300 meters tubing per month. Focus Enterprises, Box 37089, Birnam Park 2015, Johannesburg. Details available at above address.

Rolling, drawing, extruding of nonferrous metals

● **33500—FIJI ISLANDS**—12 KM of underground telephone cable, polythene insulated and sheathed, twin formation; 120 KM of telephone cable, aerial-self-supporting type, polythene insulated, twin formation. Tender No. E2U/FIJI PTWB 5/23143; no bid deadline indicated. Department of Posts and Telecommunications. Tender documents available from Crown Agents for Overseas Governments and Administrations, 4 Millbank, London SWIP, England.

● **33500—UNITED ARAB EMIRATES**—Supply and delivery of medium voltage cables and accessories. Tender No. TI/PD/72-30/75; bid deadline Dec. 24. Water and Electricity Department, P.O. Box 219, Abu Dhabi, UAE. Tender documents available at above address for DH 1500.

● **33570—TUNISIA**—Monsieur Le Directeur General, Office National Du Tourisme Tunisien (Ont.), Avenue Mohamed V, Tunis, has issued a tender for supply of 98,800 meters of telephone cable of copper wire insulated with polyethylene in various colors and accessories. Bid deadline Dec. 15. Project jointly financed by Tunisian Government and Kredinstalt Fuer Wiederaufbau of Frankfurt. Only IBRD member countries and Switzerland allowed to participate. Copy of specifications available on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Cutlery, hand tools, general hardware

3429200—GERMANY—Furniture hardware, all types. Reply to—Mr. Biedermann, Friedrich Baehre Holzwerk, 3257 Springe, Postfach. Tel 0541 741. Dir. sale & agency.

Construction, mining, materials handling machinery, equipment

● **35300—KOREA** — Office of Supply (OSROK) is inviting tenders from qualified companies for design, manufacture, supply, delivery and erection of container and scrap handling cranes for port facilities at Pusan Port, as follows: Group A—4 standard container cranes and one rail-mounted gantry crane for container handling to and from railcars, all with lifting capacity of 30.5 metric tons under the spreader. Group B—10 straddle carriers with lifting capacity of 30.5 metric tons under the spreader. Group C—2 cranes for handling of scrap and steel slabs with capacity of 12.5 metric tons at 40 meters outreach, complete with grabs and magnets. Tender will be let either as separate contract for each group, one single for all groups, or any group combination thereof, on unit price lump sum basis. Tender documents including design criteria and specifications can be obtained from Pusan Port Authority (BPA), 46-63 Third St., Daechang-dong, Dong-ku, Pusan, after Dec. 11. Tenderers will be required to submit qualifications data in English with their request for tender documents, which will indicate competence in design, manufacture and erection of similar equipment. Project will be financed jointly by Korean Government and IBRD. Prequalification deadline Jan. 14. Bid deadline March 16 at Office of Supply, Seoul. Any questions which may arise concerning documents should be directed to Office of Consultants, Lyon Associates, Inc., P.O. Box 559, Gwang Hwa Mun, Seoul 110.

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Metalworking equipment

35442XX — 3545187 — 3541860 — ECUADOR—Molding machines, threading tools; threading machines. Presently job casting shop, wishing install complete plant for production of cast metal pipe fittings (e.g., elbows, joints, nipples, etc.). Plant will include facilities for smelting, casting, and threading. Planned output is 2.2 tons/yr to serve domestic demand and for possible export to other Andean Pact countries. Interested in purchasing complete used plant if possible. Machinery in plant will consist of smelting, threading, and following casting equipment: wax shell core machine(s), molding machine(s), sand recovery machine, new sand batching machine, additive batching machines (2), sand mixing mill, and sand transportation system. Send description of complete plant offered, or send product literature and c&f prices for components. Reply to Ing. Fernando Duque C., Servicios Industriales e Ingenieria Cia. Ltd., P.O. 1251, Quito.

Special industry machinery

● **35500—REPUBLIC OF SOUTH AFRICA**—1) Primary heavy medium cyclone plants, conveyors and storage systems; 2) heavy and medium vessel plants; both including design, manufacture, supply, delivery, erection and handing over in satisfactory operating condition. Engineering coordination of contract works and programming and monitoring of progress at Ellisras on Farm Enkelbult, North Western Transvaal. Tender No. A20-Area 02; bid deadline Jan. 9; and A19-Area 03, Jan. 6. M. C. Van Heerden, Head, Capital Buying, South African Iron and Steel Corp. (ISCOR). Only tenders for complete plants as specified will be considered. and enquiry documents to each obtainable at above address against deposit of $172 for each, refundable upon receipt of bona fide tender.

Office, computing, accounting machines

● **35730—MEXICO**—Rafael Garcia C., Jefe Depto. Compras, Ferrocarriles Nacionales De Mexico, Avenida Central 140, 4 Piso, Mexico 3, D.F., has issued tender for supply of computer equipment with accessories. Details available on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Service industry machinery

● **35850—YUGOSLAVIA** — Agro-industrial enterprise requires freezing tunnel for continual processing of fruits and vegetables with annex for discontinual freezing all types of food products. Basic capacity 2,400 kilograms per hour of green peas. Exit product temperature, maximum 18 degrees centigrade. Cooling agent: ammoniac. Tender number: Official Gazette 48/75. Bid deadline Jan. 1, with opening of bids 5 days later. Besides price and delivery, credit conditions will be important factor for decision. Customer: Ponuda Za Javno Nadmetanje Tunela UPI—Oour Gorazde, Smite Minisevica 5, 71400 Gorazde.

Communications equipment

● **36610—BOLIVIA**—Empresa de Telefonos "ORURO" S.A., Casilla 139, Oruro, has issued tender Etosa, Oruro, for supply of telephone apparatus and equipment for 1,500 lines. Bid deadline Dec. 19. Correspondence in Spanish. Specifications available from above address for $50 or on short-term loan basis to firms located in U.S. from Science & Electronic Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

● **36610—INDIA**—Director General, Posts and Telegraphs (MMD Section), Parliament St., New Delhi 110001, has issued tender 12-125/75—MMD for supply of automatic traffic recording and analyzing equipment for use at automatic trunk switching centers. Bid deadline Jan. 28. Import against IDA-financed Telecommunication V Project. Copy of specifications available on short-term loan

basis to firms located in U.S. from Science & Eelectronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

• 3667[illegible]—INDIA—Additional Director of Stores and Purchase, Oil and Natural Gas Commission, Tel Bhavan, Dehra Dun, U.P., has issued tender DSP/IMP/GEOP/49/75 for supply of four digital seismic field systems (portable) with instantaneous floating point gain control. Bid deadline Dec. 20. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-5569.

• **36620—TURKEY**—Milli Savunma Bakanligi, Savunma Sabayi Ve Teknik Hizmetler Daire Baskanligi, Ankara, has issued tender for supply of HF/SSB military transceiver sets: (a) 2500 each backpack-vehicular-stationary: 15-25 W (Pep), 2-18 Mhz. fully solid state circuitry, (b) 1700 each vehicular-stationary; 2-30 MHZ, digital synthesizer. Solid state except power stages. Bid deadline Jan. 12. All equipment will be manufactured in Turkey under license or other agreement with foreign manufacturer. Copy of specifications available from Modern Translation Bureau, Karanfil Sokak 36/3, Yenisehir, Ankara, for $17.

Instruments for measurement, analysis and control

• **38240—SYRIA** — Damascus Municipality, Azmeh Square, has issued Tender No. 9522 for supply of 2,000 taximeters and 500 parking meters, double. Bid deadline Dec. 30. Conditions obtainable from Contracts Dept. of Municipality.

Surgical, medical, dental instruments

• **38410—SRI LANKA**—Office of Director of Health Service, 355 Deans Road, Colombo 10, has issued tender for supply of catgut in various kinds and quantities. Bid deadline Dec. 16. Tender documents available from Embassy of Sri Lanka, 2148 Wyoming Ave., NW., Washington, D.C. 20008.

• **38410—ECUADOR**—Ministerio de Salud Publica, Juan Larrea 444, Quito, has issued tender No. 7/75 MSP for supply of surgical and medical instruments, operating room furniture, etc. Bid deadline Feb. 3. Bid documents must be purchased for non-refundable $320 from above address. Correspondence in Spanish.

3842126—SWEDEN — Gauze, bleached, in rolls approx. 1,000 meters, width: 90-150 cm. Lic, which is central purchasing organization for Swedish country councils, provides most Swedish hospitals & similar institutions with material & equip. 1974 turnover was skr. 432,000,000. Highly recommended as trade contact. Reply to—Mr. Rolf Engdahl, Landstingens Inkopscentral (Lic), Box 189, S-570 40 Aneby. Telex: 3756; telephone: 0380/412 00.

Scrap materials

5093XXX—SPAIN—Scrap metals. Operates large agency-distribution business in SE. Spain. Would like to receive quotations c.i.f. Spanish Mediterranean ports. Call or cable—Mr. F. Bevia Berenquer, Owner, Belando, 5, Alicante, Spain. Cable: Avibe; Telex 66077 E (Mensaje A Bevia); Tel: 965/212-773.

5093XXX—THAILAND—Steel scrap for re-rolling—requires 10,000 tons. WTDR 6/75. Reply to—Mr. Prasert Tangtrongsakdi, Sr., V.P., Metro Co., Ltd., 180-184 Rajawongse Rd., P.O. Box 362, Bangkok. Cable Metroco; tel 211161, 224528. Direct sale & agency.

Antique, secondhand stores

5931XXX—EGYPT—100,000 pairs ea. used sportswear for men, medium sizes, est. cost $250,000; and used jeans, medium sizes, est. cost $500,000. Importer, distributor & retailer of cotton & woolen piece goods. Owns & operates 2 excellent retail stores in Alexandria, Egypt, & Amman, Jordan. Also mfrs. men's pants & jeans. Reply to—Anwar A. Agl, Mgr., Nesmahar, 2 Salah Salem Str., Alexandria. Cable Nesmahar; tel 908065.

Business services

• **73920 — COSTA RICA** — Banco Anglo Costarricense is seeking contract services of four experts in following areas to provide technical assistance for length of time indicated in connection with execution of fishing development plan: 1) Administration and evalution of fishing projects (4 months), 2) expert on administration of fishing cooperatives (24 months), 3) expert on commercialization of fishery products (36 months) and 4) naval architect (2 months, non-consecutive). Tenders for services in abovementioned specialties must reach Guido Goicoechea, Gerente General, Banco Anglo Costarricense, Apartado 10038, San Jose, by Nov. 30. Tenders should be accompanied by experts' curriculum vitae, pointing out experience gained in field concerned. Individual experts required to have good knowledge of Spanish language.

Motion pictures

7813XXX — LIBERIA — Feature-length motion pictures, either 16 or 35 mm., for use by church in fund raising projects. Catalogs & prices desired. Reply to—Edward A. Cooper, Pres., Daengla, Inc., P.O. Box 828, Monrovia. Cable: Daengla. Telex: 4240. Phone: 21223.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Anthracite coal

1111XXX—SWEDEN — Hydro anthracite. Reply to—Mr. Goran Haegemark, Amlsell & Agren AB, Industrial Raw Materials Div., Fack, S-402, 50 Goteborg 13. Cable: Amlsell S. Telex: 2280. Telephone: 031/80 13 80.

General industrial machinery

3569126—AUSTRALIA—Automatic cutting machine for stamping out pressure sensitive vinyl material shapes. Interested in sole Australian rep. Reply to—W. Lipschutz, Adherettes—W. & T. Lipschutz, 144-6 Queensberry St., Carlton, Victoria 3053. Tel: 03/3473829.

Household appliances

36343XX—SWITZERLAND — Electric restaurant & household type mixers, juicers, blenders & ice-crushers, electric knives & electric can openers for restaurants & household use; electric food prep. appliances for restaurants & households such as novel automatic toasters, coffeemakers, food heaters, automatic saucepans, etc. Reply to—Mr. R. Appenzeller, Novelelectric AG, Scheidhbachstrasse, 8107 Buchs. Tel 01/846 21 11.

Electronic components, accessories

3679020 — THAILAND — Electronic mosquito repeller, battery and/or electrically operated, AC/DC. Requests: c.i.f. Bangkok; catalogs & general specs. Reply to—Sucheep Poositmonthon, Mng. Dir., S.P. Executive Co., Ltd., 544 Dindafng Rd., Phyathai, Bangkok. Tel. 520515, 516753.

Optical instruments, lenses

38321XX—AUSTRALIA—Ph electrodes & meters; ion selective electrodes & meters; electrophoresis chambers & supplies; liquid chromatographic instruments. One of largest companies in field, covers Australia. WTDR 4/74. Excl. distr. Reply to—Mr. J. A. Hasemer, Natl. Mkt. Dir., Anax Pty. Ltd., 394 Lane Cove Rd., North Ryde, NSW 2113. Cable Dhanax; tel 8887977.

Motion picture production, distribution

781XXXX—CANADA — Audio visual programs on nursing care & vocational training. Incorporated 1968, operates as agent-distributor handling scientific instruments, lab. graphite products & scientific publications. Wishes to import & distribute, under excl. agency arrangement, educational audiovisual programs on vocational training & nursing care for use in high school, vocational school & university level courses. Initial annual sales potential est. $50,000. Call, cable—Charles Salama, Pres., Spectrex Ltd., 6600 Trans Canada Highway, Pointe Claire, Quebec H9R 4S2. Tel (514) 695-9581. Excl. agency.

Egyptian Railways Mailing List

The Egyptian Railways reports that all its external bids are announced in the weekly commercial bulletin for tenders it publishes. Those interested in this weekly publication are requested to have their names placed on the mailing list. This can be arranged on application to the Publicity Department, General Management, Egyptian Railways, Cairo.

Future Construction Abroad

ALGERIA—State chemicals corporation has invited bids for **turnkey construction of cosmetics plant.** Bid deadline Jan. 1. Offers must be in six copies, in French, and include financing terms. Commercial offer must be separate from technical offer. Tender documents may be obtained from and offers submitted to: Engineering et Developpement, Societe Nationale des Industries Chimiques (SNIC), 29, Rue Didouche Mourad, Algiers; cable: Sonamer Alger; telex: 52521. Copy of tender in English available for review in office of Ms. Cherie Loustaunau, Commerce Action Group for the Near East, Room 3015, phone: 202-967-4441.

TUNISIA—Mr. Gharbi-Tounsi, P.O. Box 210, 1800 Vevey, Switzerland, is handling **four projects for construction of small-to medium-sized plants in Tunisia** for following: small refinery for used lubricating oils (available budget approx. $350 000); small soap plant for production of common soaps, flaked soaps and similar products (available budget approx. $350.000); plant for preparation and canning of tomatoes, including processing operations such as peeling (available budget approx. $350,000); plant for dehydrating of onions (available budget approx. $350,000). Projects will be partially financed by the state (41 percent) and balance

by private banks. Interested bidders should be in position to handle contracting and all related activities in connection with construction of these facilities. Further information available from Mr. Gharbi-Tounsi.

COSTA RICA—Hospitals currently operated privately by National Board of Social Assistance and Welfare and two United Fruit Hospitals being transferred to Costa Rican Government agency, Caja Costarricense de Seguro Social (CCSS). CCSS currently administrator of 60 percent of Costa Rica's public health program, expected to be 90 percent by 1980. CCSS has completed prefeasibility study of project for development of basic infrastructure of hospital-medical services which includes: construction of 6 new clinics; construction of 6 new hospitals with combined total of 689 beds; enlargement and improvement of 2 CCSS hospitals that will increase number of beds by 619; and enlargement and improvement of 11 hospitals operated by National Board of Social Asst. & Welfare, representing additional 1,548 beds. CCSS expects to increase total number of hospital beds to 8,702. Estimated cost of complete project expected to total US$24.5 million, of which (pending) Interamerican Development Bank loan will finance US$20 million. Soon as loan signed and approved, CCSS will prepare and issue tenders, which should occur late this year. Additional information may be obtained from: Lic. Alvaro Vindas, Controller, Caja Costarricense de Seguro Social, Apartado 1317, San Juan. OPIC.

NEW ZEALAND — New Zealand Forest Products, O'Rorke Rd., Penrose, Auckland 6, is engaged in **project to mine coal** at Mt. Davieon, near Greymouth. Company called West Coast Resources (WCR), Auckland, has been set up to handle project. WCR is 50 percent owned by Ataka, a Japanese trading company, with the other 50 percent owned by NZFP and Odlin's, a prominent forest products company. Ataka has put up half of loan funds as well as half of equity. WCR plans to use "long wall" method of mining and will load slurry on board ships near the mine. Major installations, aside from mine itself, will be beneficiation plant, pump house, and offshore slurry loading facility. Despite heavy Japanese involvement, not foregone conclusion that Japanese will furnish equipment. New Zealand partners will insist that equipment be bought on normal commercial criteria of price, quality and delivery terms.

CANADA — Montreal Sewage Treatment Project still very active and will provide several high-value opportunities of interest to U.S. firms. Value of project has been revised upward to C$700 million, including collector sewers and treatment plant. Montreal Urban Community Water Purification Dept., 385 Sherbrooke St. East, Montreal, in charge of project. Tenders to be called in February, or later, will include contract(s) for large tunnels (7,000 ft. long and 20 ft. dia.), known as sewer outfalls, which will run from treatment plant to dumping-off spot on river. Also in Spring 1976, tenders will be called for purchase of 17 pumps, each with capacity of 100,000 USGMP. Tenders for excavation for pumping station to be called during first half 1976. Planning for treatment plant progressing and tenders for important contracts will be called by early 1977.

The Overseas Private Investment Corp. (OPIC) offers political risk insurance to U.S. construction firms planning to submit bids on projects in certain developing countries, identified by the "OPIC" notation at the end of some items. For further information on OPIC's construction insurance program, write Information Officer, Overseas Private Investment Corp., Washington, D.C. 20527. Tel: 202-632-1854.

ECUADOR — The Bid Committee of the Instituto Ecuatoriano de Electrificacion (INECEL), Quito, announces reopening of the prequalification process for bids for **construction of the Amaluza dam and appurtenances** (Bid Nbr. PA/2/3, previously Bid Nbr. PA/2) to permit participation of construction companies. The Amaluza dam is an arch dam with a concrete volume of approximately 1.2 million cubic meters. Prequalification documents can be obtained at the following address upon payment of 2,000 sucres or US$80 (non-reimbursable): Instituto Ecuatoriano de Electrificacion, Secretaria General, Avenida 10 de Agosto N° 1820, Room 102, P.O. Box 565-A, Quito. The documents are also available at the Ecuadorian Embassy in Washington. Firms which have previously submitted prequalification documents for INECEL Bid Nbr. PA/2 do not need to submit new prequalification documents. However, they should supplement their presentation by filling out an additional form which they may receive at no additional cost from INECEL or the Embassy. Interested firms are to indicate the possibility of their participation in financing of this project. It is anticipated that INECEL will furnish certain materials required, such as cement and reinforcing steel. Deadline for submittal of prequalification documents is Dec. 22.

Australians Plan U.S. Visit To Develop Trade Contacts

Two businessmen from Sydney, Australia, are planning to visit the United States soon in an effort to develop trade contacts.

Mr. T. Marcus, Managing Director, Belvera Fashions Pty., Ltd., 50 Taylor St., Darlinghurst, N.S.W. 2010, Sydney, is coming to the United States in January to purchase evening and after-five wear. Interested manufacturers should contact Mr. Marcus before his visit.

Also, Mr. R. W. Leech, Castles Record House, 323 Church St., Parramata, N.S.W. 2150, Sydney, will be in the United States for one month beginning mid-December. Mr. Leech wishes to contact rack jobbers selling cut-offs, cut-outs and close-outs of L.P. records, cassettes and cartridges. Interested parties should contact Mr. Leech before his departure. Sales potential is $90,000 annually.

Poland Invites Medical Displays At Poznan Exhibition In April

The Government of Poland has announced that an international trade fair and scientific symposium for medical equipment will be held in Poznan April 11-14. "Salmed" will stress medical equipment and instruments, medical materials, medical furniture and surgery technology, data processing systems for medical purposes, and ambulances and special medical vehicles. The final date for submission of applications for participation is Dec. 15. Information is available from Alex Hertzberg, U.S. Trade Development Center, Ulica Wiejska 20, 00-490 Warsaw (Telex 21-45-15 or 21-42-16).

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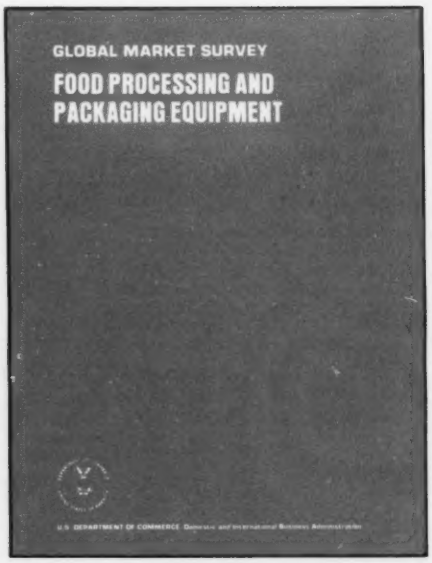
Immediate Sales Opportunities for Manufacturers of Food Processing and Packaging Equipment



A new Global Market Survey—Food Processing and Packaging Equipment—has just been released by the Bureau of International Commerce, Office of International Marketing. The Survey identifies the best sales opportunities for your products in selected overseas markets. Contact the nearest District Office (see inside cover) to obtain your copy.

Right now there's proven foreign demand for a broad range of U.S.-made food processing and packaging equipment. The following list indicates the types of machinery covered in the Survey.

Food Processing Equipment, for—

- meat, poultry, and eggs
- milk and dairy products
- fruits and vegetables
- grain
- bakery products
- sugar and confectionery products
- fats and oils
- beverages
- fish and seafood
- miscellaneous and specialty food products

Food Packaging Equipment—

- forming, filling, sealing
- wrapping, packing
- marking, inspecting
- container/product/package preparation and handling

Countries covered by the Survey include:

- Australia
- Brazil
- Canada
- France
- Germany
- Iran
- Israel
- Italy
- Japan
- Mexico
- Netherlands
- Spain
- Sweden
- United Kingdom
- USSR
- Venezuela